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FBIS-SOV-94-091-S
Thursday
11 May 1995

Central Eurasia
SUPPLEMENT

FBIS-SOV-95-091-S *11 May 1995*

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Political Issues

*Lessons Learned From Third All-Russia Congress of Communities

954F2204B Moscow MOSKOVSKAYA PRAVDA in Russian 26 Apr 95 p 10

[Article, under rubric "Ricochet": "Lessons and Consequences of the Third All-Russian Congress of Russian Communities"]

[FBIS Translated Text]

First and Most Obvious

In the forthcoming parliamentary election all the most promising politicians with a charismatic makeup will act under the patriotic banner, laying claim to the role of saviours of the Russian nation. Of course, at the present time Dmitriy Rogozin's Congress of Russian Communities remains in the shadow of the other Russian parties and movements. But, as one can see, the decisive role is being played by the symbol, the idea of defending the interests of Russians, the national idea. In Russia, as always, the word plays the decisive role. At least as of today the national idea plays a much more mobilizing and synthesizing role than the social idea, and especially the liberal one. If a parliamentary election were to be held today, the national patriots of all kinds, from the Reds to the Whites, certainly would impressively outweigh the democrats. But all of that is for the time being. So far, the dissatisfaction of the aggrieved and the poor has not taken on any organized, political forms. One must be aware that today the KPRF [RF Communist Party] serves not so much and not only the protest against poverty and polarization, as it does the nostalgia for the lost state and the destroyed Soviet way of life.

Second Important Conclusion

In the oppositional patriotic camp there is occurring the same kind of fractionation and "dispersal," as in the democratic camp. The idea of consent on behalf of Russia, the idea of unifying all the patriotic forces from the Communists to the liberals, it turns out, has not withstood the test of time. The Red, Communist partners headed by Zyuganov and Lapshin have once again pledged allegiance to Lenin and October, and have been increasingly distancing themselves from the other great-power adherents. The confrontation between the Red patriots and Rutskoy's White Derzhava [Great Power] has taken on an irreconcilable nature. This is not a matter of personal animosity between Zyuganov and Rutskoy. It is a matter of the complete incompatibility of the values and ideals of simple and White patriotism. In and of itself, the idea of a great power, of the Russian state system, will not be able for a long time to consolidate, on the one hand, those who believe in "God, the Tsar, and the Homeland," and, on the other hand, those who believe in Lenin and October. There is justification for assuming that the Congress of Russian Communities will take not so much the position of restoring socialism, as the position of restoring the "Russia that was desecrated by the Bolsheviks." Even the fear of revealing "plots" manifests itself differently among the Whites and the Reds. The appearance of the frank anti-Communist Govorukhin in the KRO [Congress of Russian Communities] is not accidental. All this attests to the fact that in the forthcoming election both Rutskoy's Derzhava and Skokov-Lebed's KRO will take away a considerable number of votes from the Zyuganov-Lapshin bloc. It is easier and simpler for the governors who are in "spiritual" opposition to Yeltsin to support the Derzhava candidates in the election, than to support the "defenders" of socialism. I think that it is also not accidental that Yegor Stroyev has become a member of the KRO National Committee.

Thirdly

Without a doubt, the appearance of General Lebed on the political scene is largely undermining Vladimir Volfovich's prospects. General Lebed is the political opponent who is most inconvenient for Zhirinovskiy. Lebed is not simply the master of a rich and meaningful tongue, but also of succinctness and the perfection of formulations that is so dear to the heart of the Russian. In addition, he attracts attention to himself by his organized and well-integrated approach. Lebed gives the impression of a person who has been hewn from a single piece of stone. This is a great advantage over Zhirinovskiy, who seizes his listener by the throat, shouting at him and acting like a clown. Lebed, as a charismatic leader, is undoubtedly stronger than Zhirinovskiy, and in addition, he has a specific life behind him: the army and war. Lebed must be preserved as a politician if only to make Zhirinovskiy stop "unmasking" the weakness of the Russian soul. In addition, Lebed, in his positive platform, talks about the same things that Zhirinovskiy does — about the salvation of the army and its prestige, the rebirth of the Russian great power, and the protection of the interests of Russians. It is typical that Lebed deliberately engages in polemics with Zhirinovskiy. At the KRO congress he sharply criticized Zhirinovskiy for his adventuristic appeals to go on campaigns to the "warm seas."

Fourthly

The unification on a rightist patriotic platform of practically all the charismatic politicians who continue to have...

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the public's confidence — and we have in mind primarily Lebed, Govorukhin, and Zatulin (and Rutskoy executes the same mission in the confines of his Derzhava) — essentially nullifies the chances of the leftist centrists, the social democrats, and those neutral to the national problem. The "union of realists" does not have any brilliant, outstanding politicians in its ranks. Lipitskiy, coupled with Yuriy Petrov, will not be able to extend the centrist idea or the centrist mission. They can expect an even greater failure than the failure of Civil Union in December 1993. All things considered, the center will also fail this time. Aleksandr Yakovlev's social democracy has even fewer chances of political success.

Fifthly

One must realize that, in the final analysis, the appearance of yet another influential and promising grouping within the confines of the patriotic camp will work finally for the good of Yeltsin. The involvement of Lebed in the exhausting struggle for the victory of his bloc in the parliamentary election is objectively leading to the demystification of his image as a recluse who is awaiting his hour, who is indifferent to Moscow's temptations, who is waiting for his Motherland to summon him. Currently it is sufficient for a person to get involved in the hubbub of the Duma for three or four months, before he is transformed in the eyes of the public into a trivial politician who is trying to get himself a "rating." The Duma killed Gaydar and Yavlinskiy as candidates for the presidency. All things considered, the same fate may also befall Lebed if he does not act cautiously.

***Federation Council Member Romanov on Elections**

954F2204A Moscow MOSKOVSKAYA PRAVDA in Russian 26 Apr 95 p 10

[Article by Petr Romanov, member of the Federation Council, RF FS [Federal Assembly], under rubric "Election": "Prospects for Holding a Parliamentary and Presidential Election"]

[FBIS Translated Text] The statements made by certain figures concerning the lack of preparation for a parliamentary election contradict the fact that the actions being taken by various political parties, Duma factions, and public movements have been intensifying as the election approaches. Moreover, the country's population has been becoming more active.

In my opinion, until the present time the authority itself has not yet determined how it is supposed to act with respect to the election. For the time being, there has only been a sounding of public opinion, as well as attempts being undertaken to disperse the forces of the patriotic opposition.

This indefiniteness on the part of today's authority is caused by a number of circumstances, the chief one of which is the lack of complete confidence about their victory. Of course, it is possible to ignore the opinion of one's own nation, but one cannot fail to take into consideration the position of the international community. The West reasonably is afraid of the uncontrollable development of the situation in Russia and the advent to power of another team. However, both ideologically and psychologically it is increasingly more difficult for the West to attach a democratic coloration to the regime in Russia.

The Duma has already enacted two electoral laws: the law on elections to the State Duma, and the law on presidential elections. Most probably, the election to the State Duma will nevertheless occur. It is another matter that its final result may predetermine the most unexpected further actions by the authorities: beginning with the recognition of the election that has held as being invalid — by virtue of various definite reasons — and ending with the declaration of a state of emergency.

But in our long-suffering country, the regime is capable of finding apparent prerequisites for such alternatives if it wants to. They include the increasingly intensive social tension, threats of new regional conflicts, the rampant spread of crime, etc.

Currently a campaign is being carried out simultaneously from many sides to postpone the election and extend the president's powers. The initiators of that campaign, first of all, are a definite group in the president's administration, and then several figures in the Federation Council who are linked with that group, as well as certain circles in the banking and entrepreneurial structures that provide services to that category of political figures.

This campaign frequently changes its forms: whereas at first the item that was put into the center of attention was the poll concerning whether or not the election should be held at all, at the present time the concentration is on the election mechanism. Naturally, the "party of authority" wants to enact legislative bills that would provide that "party" with advantageous conditions for holding an election with a guaranteed outcome. A feverish search is under way for those guarantees. However, many well-known figures from that "party" nevertheless are well aware that the chances of a successful outcome are few.

Of course, it is possible, by means of various pretexts, to drag out for an indefinite period of time the very process of considering the laws governing elections to

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the Federation Council, as well as their subsequent confirmation by the president. Thus, the "party of authority" will then obtain a real opportunity to hold the election to parliament with the aid of the president's edicts — on terms that are advantageous for that "party."

The chances that the presidential election will take place by the established constitutional deadlines depend entirely upon the results of the parliamentary election. In my opinion, if the "party of authority" and those closest to B. Yeltsin discover that the matter has been lost, they will undertake all efforts to exert pressure on the president with the aim of postponing the election on the basis of the most varied pretexts and with the aid of various methods.

Something that may serve as the motivation for such a presidential decision is, for example, the failure of the election to the Federal Assembly because of the low participation rate or a voter boycott. In that instance, after a prolonged comparative study of the situation on the basis of expert conclusions by sociologists, including foreign ones, a conclusion will be made concerning the undesirability and uselessness of holding in the near future another election to the Federal Assembly, or a presidential one.

Probability of a Referendum Concerning the Extension of the President's Powers

One thing that may be proposed as one of the alternatives for getting out of the crisis is a referendum with a broad spectrum of questions, the answers to which will deliberately permit an ambiguous interpretation. Correspondingly, it will be organized in such a way as to occur after the expiration of the president's term of powers, that is, when there has already become well established in the public's awareness the idea of the acceptability of the further rule by the existing head of state. This, then, will be a *de facto* situation and allegedly will not lead to any visible negative phenomena. Although it will contradict the initial principle of organizing the system of agencies of state authority.

In addition, the action of the constitutional norm concerning the referendum should not be viewed separately from the entire content of the RF Constitution. According, then, to the Basic Law [Constitution] (Article 3), referenda and free elections are the highest direct expression of the people's authority. Therefore, the announcement of a referendum concerning the extension of the president's powers, that is, a referendum on a question that is the prerogative of the election, automatically preempts the right to such an election. A referendum cannot and must not act in contradiction to the electoral right.

Incidentally, it should be kept in mind that the conditions for enacting that Constitution and the presidential regime itself that exists in Russia are far removed from the basic principles of political democracy. Essentially speaking, the Constitution was enacted under emergency circumstances and there exist strong and well substantiated doubts concerning the legality of the very procedure for enacting it.

On the other hand, today we have a regime which, in modern political science, is generally called leader-oriented plebiscite democracy. In this kind of regime the central figure is the personality of the president, who makes the most important decisions not on the basis of democratic procedures, but on the basis of his personal convictions and inclinations. The referendum (or plebiscite) serves such a "leader of the people" as a means of justifying any actions, inasmuch as the "leader" rules outside of any democratic norms or institutions, justifying himself at such time by referring to the anonymous will of the "people." Under the specific conditions of such a regime, the constitution serves only as a facade that conceals the antidemocratic methods for making the most important political decisions.

It would see that such scenarios in Russia's political life are extremely dangerous and undesirable, but one is forced to think carefully about them by the feverish search by one segment of the country's political leadership for opportunities at all costs to retain their authoritative powers and by that leaderships's fear of responsibility in the event of a change in the political course. That fear, in addition, is artificially heated up by provocational assertions by individual irresponsible politicians and representatives of the mass media.

The provocational acts that are typical specifically of the pre-election hysteria of the powers that be might include the interpretation of a traffic accident in which I was involved on 1 April of this year. The Moscow Main Administration of Internal Affairs confirmed in documentary form the fault of the relatively unskilled driver of a KamAZ military truck that crashed into the Volga in which I was riding as our vehicle was stopped at a red light. There were no reasons at all to evaluate this situation as an attempt on anyone's life. Nevertheless that ridiculous story immediately began to be discussed in the press, stating that the person involved was a competitor in the presidential election. As the expression goes, fear has a hundred eyes...

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***Kozyrev Portrayed as Follower of Yeltsin**

954F2150A Moscow SEGODNYA in Russian 21 Apr 95 p 3

[Article by Leonid Velekhov under the "Lines to a Portrait" rubric: "President's Man: Andrey Kozyrev Joins the Struggle Against Fascism"]

[FBIS Translated Text] On Wednesday Andrey Kozyrev delivered in Krasnopresnenskiy Court, to which he had been subpoenaed to appear in an action brought by Zhirinovskiy, leader of the LDPR [Liberal Democratic Party of Russia], a 20-minute speech castigating Zhirinovskiy as an exponent of fascist ideology. A letter of Deputy Kozyrev to Duma Chairman Rybkin on a similar subject—the attempt by Zhirinovskiy and his faction to push through a justification of fascism legislatively—was distributed among deputies of the State Duma on Wednesday.

Both the speech and the letter of Kozyrev were successful: They have a vigorous ring, and his own voice as man and politician could be heard in them.

Nonetheless, there may be no doubt that the cynic would, all the same, smile, discerning instantly the connection between the edict of President Yeltsin of 23 March calling for an intensification of the struggle against manifestations of neofascism in society and the courtroom and Duma philippics of his minister of the day before yesterday. He would say that, as always, the former had succeeded and that random fate had once again tossed up a fortunate pretext in the form of a lawsuit that had opportunely come in good time.

Journalists have long been sharpening their quills for Kozyrev and have now put them to work. Recently extolled as a democrat, they are now calling him a new power minister, illustrating their articles by a sequence of photographs of Grachev, Yerin, Stepashin, and Kozyrev. Words concerning the "two Kozyrevs" and about the evolution beyond recognition of the minister of foreign affairs have become a commonplace.

So are they accurate? If the subject is viewed without emotions—both past emotions full of love and the present ones full of that feeling to which from love is but a single step—then, not very. Kozyrev is true to just about his first declaration made when entering the main office of the "high rise" in Smolenskaya Square—as regards the fact that the foreign policy that he intended to pursue was the "president's policy." While true to it, he is also evolving together with the "general line." The latter is becoming tougher, hardening, and losing its plasticity—and he together with it.

He had his romantic period, when, despite the invariable incantations as regards the president's foreign policy, he nonetheless believed that Russian diplomacy could be self-sufficing and independent, albeit within certain limits. That is, shaped primarily by the diplomats themselves and the minister and then consecrated by the president, so to speak. It did not work out this way. On several occasions President Yeltsin—not even wishing to do so, evidently—placed his minister in a difficult position by his unexpected, possibly impromptu, utterances, revising the carefully substantiated and well-considered Kozyrev foreign policy constructs. It was then that Kozyrev understood the full depth of his own idea as regards the president's foreign policy. The president's policy means one determined by the president himself and then realized by the minister of foreign affairs and the other diplomats. Not the other way about.

Right at the start of the century Russia had one Count Lamzdorf as minister of foreign affairs. As distinct from Kozyrev, he stepped into this position as a most experienced diplomat, but, all the same, initially believed that foreign policy in Russia could, on the immutable condition of total loyalty to the sovereign, of course, have a certain independent vector set by the diplomats and the minister of foreign affairs first and foremost. By virtue of its specificity, the caste nature of the diplomatic profession, and the need for exclusively specialized knowledge and experience. And he would argue with Nicholas continually and would continually try to change his mind and enlighten his foreign policy views. Having achieved nothing but his own fall from grace, he realized his mistake. And told the capricious Witte, with whom he had been trying to drum into Nicholas the idea of the pernicious nature of a disagreement with Japan and the inculcation in China and generally of the entire Far East tsarist policy, that there could be no foreign policy created by the minister and the Ministry of Foreign Affairs in so historically inconsistent and "willful" a country as Russia. There is in Russia the will of the sovereign, which the minister and the other diplomats express and embody.

And we can only hope that this will prove not to be destructively aggressive but healthy and positive.

***Rutskoy's Nomination for President Discussed**

954F2154A Moscow OBSHCHAYA GAZETA in Russian 6-12 Apr 95 No 14, (signed to press 5 Apr 95) p 8

[Article by Lev Sigal: "Rutskoy Continues To Damage the Communists"]

[FBIS Translated Text] Last Sunday, the supporters of Aleksandr Rutskoy solemnly proclaimed him a candidate for the office of head of state.

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The deposed vice president now appears as the chairman of the Derzhava social-patriotic movement and a proponent of the doctrine of great-power sovereignty. The central place in his 90-minute report at the Derzhava congress was, in fact, occupied by a castigation of the communists. Such strong anti-communist propaganda has not been heard since 1989-1991: "They are shrilly calling for a return to communism," "Sovdeps," "In these 70 years Russia lost practically everything in the name of the Marxist chimera"....

The main charge, repeated many times over, with which Rutskoy is obsessed, it would seem: "Why does Zyuganov propose every six months the creation of a state-patriotic bloc? All these get-togethers are aimed at just one thing—preventing the people from reuniting around the leading organization" (around Mr. Rutskoy, that is). Whence the conclusion: "No blocs with the nomenklatura leaders of the Communist Party of the Russian Federation" and the utmost pulling of the communist rank and file beneath the "sovereign-state" banners. In other words, the retired aviator is doing his customary work: Earlier, in the role of a "communist for democracy," he led Yeltsinites away from the CPSU, now he has embarked on leading out of the Communist Party nationalists there on a misunderstanding.

Another cornerstone of "great-power sovereignty," together with anti-communism, is the original spatial project. It implies, first, the barring of the Eurasian Union and the disbandment of the CIS; second, a recarving of borders according to the principle: "Russia is where Russians constitute the majority." In advancing this slogan, the militant general meant the annexation to Russia of Crimea, the Dniester region, and the northern and eastern oblasts of Kazakhstan, but hardly envisaged the isolation of the Russian territories where Russians do not constitute the majority.

The crown of "great-power sovereignty" is the plan for an increase in population. While economists are thinking how to prevent mass unemployment, Aleksandr Vladimirovich is preparing a demographic explosion, since "no fewer than 500 million persons are needed to assimilate the expanses of Russia."

But whereas on 2 April Rutskoy revealed himself to be an ardent man of the soil, the very next day he appeared as "the most important figure of Russian social democracy," as the members of the RSDNP [Russian Social Democratic People's Party] ("Rutskoy's party") assembled for their meeting last Monday, who remain loyal to him, officially called their leader. Having pronounced anathema on Vasiliy Lipitskiy and the "splitters" whom he leads, Rutskoy for a good hour berated his remaining associates for "indolence" in the field of party work, explained to them how to cut forms, tried his utmost to motivate them to plant the streets with trees and shrubs, and on top of all this set the task of the party's membership in the Socialist International ("the pay is $2,000, and an apartment in Brussels").

This is, most likely, the finale of "Rutskoy's party" as such. When the social democrat Rutskoyites and the social democrat Lipitskiyites knock on the doors of the election commission, they will probably be unable to figure out which of the doubles is the "real Phantom" and will send both away. As far as Derzhava, which also incorporates Aksyuchits' Russian Christian Democratic Movement, Astafyev's National Right Center, the Revival of the State of the fugitive Zhirinovskiyite Kobelev, and a multitude of individual members, is concerned, it is growing as if on yeast, it would seem. Andrey Fedorov, Rutskoy's invariable assistant, maintains that 90,000 citizens have already registered with the movement. But, in the opinion of a recent Rutskoy associate, we can, most likely, speak of 40,000-50,000, which also is considerable.

Two such Titans as Aleksandr Rutskoy and his double, essentially, Vladimir Zhirinovskiy, will obviously come together in the battle for the hearts of "white patriots." Responding, incidentally, at a February news conference to an OBSHCHAYA GAZETA question about the program differences between them, Aleksandr Vladimirovich confined himself to calling Vladimir Volfovich the "victim of a miscarriage." According to the estimates of experts, Zhirinovskiy has more money, and his organizing work is better, but Rutskoy's trump card is that he does not yet appear so grotesque.

*Analytical Center on Politicians' Prospective Rating

954E0912A Moscow KOMMERSANT-DAILY in Russian 27 Apr 95 p 3

[Article by Georgiy Bovt and Natalya Kalashnikova under the "Political Life in Russia" rubric: "Rybkin and Chernomyrdin: Today's Jefferson and Hamilton"]

[FBIS Translated Text] The essence of the joint project carried out by the Center of Strategic Analysis and Prognosis, headed by Professor Dmitriy Olshanskiy, and Professor Boris Grushin's Vox Populi Service for the Study of Public Opinion consisted in determining, through a poll of experts, a long-term rating of the leading Russian politicians. Here, the data are not arrived at through a poll of public opinion, but through the method of expert evaluations, put forward by leading political scientists, sociologists, and journalists (including from KOMMERSANT). The task consisted in, using the March rating of politicians as a point of

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departure, its prediction for April, June, and finally, December, when the parliamentary elections will be held.

This One Fell Out of the Nest....

One may argue about the irreproachable nature of the project's methodology, but, first of all, no investigation is irreproachable. Second, the list of "front-runners" is curious in itself. It is to precisely these names (first of all from the public list) that those charged with the compilation of the pre-election party lists for the parliamentary elections will be getting used to. Although these very "front-runners" will themselves, most likely, also be puzzling over this issue.

What jumps out at us? The 10 leaders (by December) look this way: Chernomyrdin, Luzhkov, Yeltsin, Rybkin, Yavlinskiy, Chubays, Korzhakov, Zyuganov, Shumeyko, Zhirinovskiy. One can, of course, argue whether Yeltsin is better than Luzhkov, but the absence of the president precisely in first place, which is called, symptomatically, a fall (and a catastrophic one) in his rating, has been established by many other polls. It must be noted here that what is under discussion is not popularity, measurable in voters' votes—in that case, if we were to rely on classic polls, Yeltsin could turn out not to be in the first 10 at all. What is under discussion is the politician's status—his abilities to influence the adoption of decisions, to form state policy, to mobilize forces for the support or carrying out of decisions being worked out or already adopted.

Another tendency is that the aura of importance above the heads of the power ministers is dispersing (evidently, in proportion to the dispersing of the smoke from the Chechen campaign). The theme of using bayonets against elections is ceasing to be fashionable. At least for a time. Prognosticated is only a growth in the rating of Lebed and Gromov. But they, evidently, will embody a certain phenomenon new for Russia—the "persecuted strongman" (that is, more a politician than a strongman). It is also curious that the ratings of practically all the representatives of the president's entourage have either frozen or are falling. Except those of Korzhakov and Barsukov—everything is fine with them. But when, in the president's team, everything is fine mainly with the bodyguards, this does no honor to the team as a whole.

Rating of "Public" Politicians (Place in the General List)

Number	Name: Last, First, Patronymic	Place as of April	Place as of June	Place as of December
1	Yeltsin Boris Nikolayevich	2	2	3
2	Rybkin Ivan Petrovich	4	4	4
3	Shumeyko Vladimir Filippovich	8	7	9
4	Yavlinskiy Grigoriy Alekseyevich	13	9	5
5	Zhirinovskiy Vladimir Volfovich	15	12	10
6	Zyuganov Gennadiy Andreyevich	18	13	8
7	Gaydar Yegor Timurovich	19	21	17
8	Lebed Aleksandr Ivanovich	21	15	11
9	Kovalev Sergey Adamovich	22	31	34
10	Shakhray Sergey Mikhaylovich	24	22	19

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Number	Name: Last, First, Patronymic	Place as of April	Place as of June	Place as of December
11	Abdulatipov Ramazan Gadzhimuradovich	30	29	25
12	Govorukhin Stanislav Sergeyevich	33	28	27
13	Yakovlev Aleksandr Nikolayevich	34	42	45
14	Fedorov Boris Grigoryevich	35	33	22
15	Yushenkov Sergey Nikolayevich	42	46	44
16	Gonchar Nikolay Nikolayevich	43	37	36
17	Lapshin Mikhail Ivanovich	45	45	32
18	Poltoranin Mikhail Nikiforovich	47	50	49
19	Glazyev Sergey Yuryevich	48	43	37
20	Skokov Yuriy Vladimirovich	49	38	31
21	Gorbachev Mikhail Sergeyevich	54	52	50
22	Lukin Vladimir Petrovich	55	57	47
23	Ilyukhin Viktor Ivanovich	56	55	54
24	Rutskoy Aleksandr Vladimirovich	58	51	35
25	Zatulin Konstantin Fedorovich	59	60	64
26	Zadornov Mikhail Mikhaylovich	63	70	73
27	Baburin Sergey Nikolyevich	64	64	55
28	Dolgolaptev Anatoliy Vasilyevich	66	72	74
29	Khakamada Irina Mutsuovna	69	68	61
30	Isakov Vladimir Borisovich	70	73	68
31	Barkashov Aleksandr Petrovich	71	75	77
32	Vengerovskiy Aleksandr Dmitriyevich	75	69	67
33	Volskiy Arkadiy Ivanovich	77	77	72

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Number	Name: Last, First, Patronymic	Place as of April	Place as of June	Place as of December
34	Lakhova Yekaterina Filippovna	78	76	65
35	Anpilov Victor Ivanovich	80	79	82
36	Shokhin Aleksandr Nikolayevich	82	84	87
37	Pochinok Aleksandr Petrovich	83	87	91
38	Romanov Petr Vasilyevich	84	78	66
39	Nevzorov Aleksandr Glebovich	85	86	81
40	Lipitskiy Vasiliy Semenovich	86	92	88
41	Sheynis Viktor Leonidovich	88	89	95
42	Mavrodi Sergey Panteleyevich	89	104	116
43	Fedulova Alevtina Vasilyevna	90	91	84
44	Petrov Yuriy Vladimirovich	92	83	69
45	Lysenko Vladimir Nikolayevich	93	88	89
46	Mityukov Mikhail Alekseyevich	95	100	104
47	Burbulis Gennadiy Eduardovich	96	99	97
48	Ryzhkov Nikolay Ivanovich	97	95	94
49	Popov Gavriil Kharitonovich	99	96	96
50	Rogozin Dmitriy Olegovich	100	93	86
51	Boldyrev Yuriy Yuryevich	101	97	90
52	Shaposhnikov Yevgeniy Ivanovich	103	103	106
53	Nikonov Vyacheslav Alekseyevich	106	107	105
54	Lukyanov Anatoliy Ivanovich	110	106	101
55	Zolotukhin Boris Andreyevich	112	112	113
56	Ponomarev Lev Aleksandrovich	113	109	107

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Number	Name: Last, First, Patronymic	Place as of April	Place as of June	Place as of December
57	Pamfilova Ella Aleksandrovna	114	110	103
58	Chilingarov Artur Nikolayevich	115	116	118
59	Khasbulatov Ruslan Imranovich	116	113	110
60	Travkin Nikolay Ilich	119	115	108
61	Vladislavl[illegible] Aleksandr Pavlovich	120	120	120
62	Vartazarova Lyudmila Stepanovna	121	117	109
63	Podoprigora Vladimir Nikolayevich	129	128	128

A certain pessimism is raised by the fact that, although the "strongmen" have decreased in strength, the so-called technocrats (Panskov, Paramonova, Shafranik, Livshits, and so forth) are not, according to the compensation principle, gaining it—they are, as before, the second echelon. So a dictat of technocrats, as of strongmen, does not threaten Russia in the near future. So what, then—the regionals? Big changes, evidently, really do await them. Of course, complete oblivion threatens Dudayev. But, as they say, thank God for that. But Ilyumzhinov is threatened with the same. Of the regionals, evidently, there will be three in the foreground—Nemtsov, who got off to an abrupt start (with which one cannot fail to agree; this phenomenon deserves separate analysis), Aushev (although there really could be some doubt here—Aushev is still a hero of Chechnya, that is, of the past), and Shaymiyev (his own kind of peaceful Dudayev). Also raising their heads are several heroes of days gone by (which is noticeable also in their daily political activity)—Rutskoy, Skokov, and even Volskiy and Lukyanov.

The Two-Party System in Russia: Pro and Contra

And so, with this distribution, the big three—Yeltsin, Chernomyrdin, and Rybkin—have planned to build something similar to a two-party system. The president stresses that the essence of the plan is to lop the extremists off the flanks. Not a bad idea. It is precisely a two-party system that in many countries promotes national stability and the continuity of power. How realizable is it in Russia?

Evidently, the initiators (and among the work superintendents of the proposed scheme one must name Shakhray first of all) had the American experience in mind: The Democrats are a little more liberal (more socially oriented and concerned with recruiting into their ranks the middle and "lower-than-middle" classes); the Republicans a little more conservative (calling for restraint in tax policy, they concern themselves with the "domestic producer"). Correspondingly, in the role of the Russian Thomas Jefferson, standing at the source of the U.S. Democratic Party, is the agrarian Ivan Petrovich Rybkin; and in the role of the prominent patron of trade and industry, the Federalist Alexander Hamilton, one of the forefathers of the Republicans, is the non-party-affiliated Viktor Stepanovich Chernomyrdin.

How, in principle, does the United States' two-party system work, from the point of view of cutting off extremism? Effectively. First of all because it rests upon a solid social base—a developed middle class, which in Russia is just being born. From an ideological point of view, the system rests upon just as developed traditions of individualism and liberal democracy, subtly combined with healthy conservatism, and a nationwide consensus with respect to free entrepreneurship. At the same time, the president is supported by one of the leading parties, being its de facto leader.

Yeltsin today remains outside of both blocs, and this, evidently, is dictated by the minimum program—to triumph at the parliamentary elections and to create in the Duma a "healthy center." But further on, one has to think about the presidential elections. And if a two-party model turns out to be successful, then Boris Yeltsin remains, in the party sense, naked. Although, continuing the American analogy, it may be remembered that George Washington also did not join one of the created parties, ceding his seat in time to his successor (Jefferson was elected) and not running in the election. Does the announcement of the formation of two blocs signify

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the breaking in of the idea of a smooth transfer of presidential power into good hands without any shakeups for Russia's political and economic elite? It is hardly likely that Boris Yeltsin today has already decided everything for himself. But in reality, everything could turn out just this way. Chernomyrdin and Rybkin are politicians too self-sufficient to consign to oblivion everything personal in the presidential elections of 1996 as well, giving themselves over completely to the service of today's, already not so popular, president. Although at the present stage, the triumvirate Yeltsin—Rybkin—Chernomyrdin is brought together by the mutual interest of all three in a "good" government and a "good" Duma. We are talking about the status quo, only slightly improved, but not threatening a redistribution of power or property.

Rating of "Apparat" Politicians (Place in the General List)

Number	Name: Last, First, Patronymic	Place as of April	Place as of June	Place as of December
1	Chernomyrdin Viktor Stepanovich	1	1	1
2	Chubays Anatoliy Borisovich	5	5	6
3	Korzhakov Aleksandr Vasilyevich	6	6	7
4	Soskovets Aleksandr Nikolayevich	7	8	12
5	Grachev Pavel Sergeyevich	9	11	23
6	Kozyrev Andrey Vladimirovich	11	10	15
7	Filatov Sergey Aleksandrovich	12	14	16
8	Yerin Viktor Fedorovich	14	18	30
9	Ilyushin Viktor Vasilyevich	16	16	14
10	Stepashin Sergey Vadimovich	17	19	26
11	Yasin Yevgeniy Grigoryevich	20	17	20
12	Lobov Oleg Ivanovich	23	32	39
13	Ilyushenko Aleksey Nikolayevich	25	34	58
14	Baturin Yuriy Mikhaylovich	27	25	29
15	Livshits Aleksandr Yakovlevich	29	27	28
16	Barsukov Mikhail Ivanovich	31	26	24
17	Paramonova Tatyana Vladimirovna	36	36	51
18	Panskov Vladimir Georgiyevich	37	40	33

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Number	Name: Last, First, Patronymic	Place as of April	Place as of June	Place as of December
19	Primakov Yevgeniy Maksimovich	38	41	41
20	Satarov Georgiy Aleksandrovich	39	39	42
21	Gromov Boris Vsevolodovich	40	35	33
22	Zaveryukha Aleksandr Kharlampiyevich	44	44	43
23	Kokoshin Andrey Afanasyevich	46	49	48
24	Shoygu Sergey Kuzhugetovich	51	53	56
25	Yarov Yuriy Fedorovich	52	56	60
26	Nosovets Sergey Anatolyevich	60	63	79
27	Kovalev Valentin Alekseyevich	61	65	75
28	Tumanov Vladimir Aleksandrovich	62	61	62
29	Shafranik Yuriy Konstantinovich	65	67	80
30	Ryabov Nikolay Timofeyevich	72	59	38
31	Tarpishchev Shemil Anvarovich	73	85	93
32	Nikolayev Andrey Ivanovich	74	71	71
33	Resin Vladimir Iosifovich	87	80	83
34	Kolesnikov Mikhail Petrovich	94	94	98
35	Yegorov Nikolay Dmitriyevich	98	101	102
36	Belyayev Sergey Georgiyevich	102	98	99
37	Davydov Oleg Dmitriyevich	104	105	111
38	Pain Emil Abramovich	107	111	115
39	Volkogonov Dmitriy Antonovich	108	118	119
40	Yakovlev Aleksandr Maksimovich	109	108	112
41	Krasavchenko Sergey Nikolayevich	111	114	117

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Number	Name: Last, First, Patronymic	Place as of April	Place as of June	Place as of December
42	Kostikov Vyacheslav Vasilyevich	117	127	135
43	Krasnov Mikhail Aleksandrovich	118	119	114
44	Vorontsov Yuliy Mikhaylovich	122	121	122
45	Pastukhov Boris Nikolayevich	123	123	123
46	Vitruk Nikolay Vasilyevich	124	122	121
47	Babichev Vladimir Stepanovich	125	124	125
48	Kotenkov Aleksandr Alekseyevich	126	129	127
49	Adamishin Anatoliy Leonidovich	127	125	124
50	Volkov Vyacheslav Vasilyevich	128	131	130
51	Bolshakov Aleksey Alekseyevich	130	126	126
52	Sergeyev Valentin Mikhaylovich	132	130	129

There are circumstances that complicate the formation of an effective two-party system in Russia. In addition to the above-mentioned complications having to do with consensus on the subject of the market, individualism, and democracy, there are cadre and personal issues. Having taken on the job of cutting off the ultras, the bloc-creators cut off entirely too large a number of famous politicians, including those from the first 10—for example, Yavlinskiy and Zyuganov, who are capable of drawing off not a few votes from the electorate of Chernomyrdin and Rybkin. For now, we are much farther from a pure two-party model than from a system of two parties of power. In conditions of a close interweaving of business and politics, those desiring to join the ranks of the parties in power under the leadership of Chernomyrdin or Rybkin (both, moreover, potential candidates for president), most likely, will fairly soon form a line. And the second line, parallel to the first, will form from the sponsors of the parties in power. Which substantially compensates for the shortage of charismatic leaders and will create considerable problems for the "indigent" politicians of the Yavlinskiy type.

Rating of Regional Politicians (Place in the General List)

Number	Name: Last, First, Patronymic	Place as of April	Place as of June	Place as of December
1	Luzhkov Yuriy Mikhaylovich	3	3	2
2	Dudayev Dzhokhar Musayevich	10	30	70
3	Aushev Ruslan Sultanovich	26	23	21

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Number	Name: Last, First, Patronymic	Place as of April	Place as of June	Place as of December
4	Nemtsov Boris Yefimovich	28	20	13
5	Shaymiyev Mintimer Sharipovich	32	24	18
6	Galazov Akhsarbek Khadzhimurzayevich	41	47	46
7	Tuleyev Aman-geldi Moldagazyevich	32	24	18
8	Sobchak Anatoliy Aleksandrovich	53	54	57
9	Fedorov Nikolay Vasilyevich	57	58	52
10	Stroyev Yegor Semenovich	67	62	59
11	Stepanov Viktor Nikolayevich	68	66	63
12	Tyazhlov Anatoliy Stepanovich	76	74	76
13	Ilyumzhinov Kirsan Nikolayevich	79	82	85
14	Rossel Eduard Edgarovich	81	81	78
15	Nikolayev Mikhail Yefimovich	91	90	92
16	Rakhimov Murtaza Gubaydullovich	105	102	100

But there is also one more circumstance capable of playing a decisive role. In Russia a direct dependence still does not exist between the amount of money spent on political agitation and the behavior of the voters. Auntie Masha from the provinces, most likely, will not take all the above-cited reflections into her head, but, running over to the polling station, will vote, guided by some intuition unknown to the egghead experts and not subject to any rational prognosis.

***Poll on Perception of Political, Economic Situation Reported**

954F2114A Moscow SEGODNYA in Russian
15 Apr 95 p 3

[Article by Yuriy Levada under the rubric "Diagnosis": "A 'Democracy of Chaos' Has Been Established in Russia: 'Western Democracy' and the 'Iron Hand' Have Equally Small Chances for Now"]

[FBIS Translated Text] Several polls conducted by VTsIOM [All-Russian Center for the Study of Public Opinion] recently enabled us to determine the substance of popular notions of democracy in present-day Russia. We must note that only a small part of those polled have a "clear notion" of democracy.

A good half of the respondents are inclined to recognize the incompatibility of the domestic form of public life with "Western democracy." Comparing two polls separated by a year and a half—and what years they were!—makes it obvious that we have before us not simply an indicator of sentiments but something like the canon of Russians' social consciousness.

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Table 1. Do You Agree That the Principles of Western Democracy Are Incompatible with Russian Traditions? (In percentages of the number polled; about 1,600 people were polled each time.)

Possible Responses	June 1993	October 1994
Completely Agree	24	23
Inclined To Agree	21	25
Inclined To Disagree	18	19
Completely Disagree	11	8
Difficult To Answer	26	25
"Proportion" (Relationship of Those Who Agree and Those Who Disagree)	45:29	48:27

This is clearly not a moderated belief but rather an all-embracing one, and it is shared, in unequal proportions, incidentally, by a relative and absolute majority in virtually all categories of respondents observed.

For example, for Muscovites the ratio of "agree" and "disagree" is 43:30, in large cities—48:29, in small cities—47:27, and in villages—48:23. If we take potential electorates of parties, we get a spread: from 68:19 for the RF Communist Party and 62:14 for the LDPR [Liberal Democratic Party of Russia] to 46:34 for "People's Choice of Russia", 44:42 for the "Yabloko" bloc, and (the only exception) 43:47 for PRYeS [Party of Russian Unity and Accord].

The change in the proportion of "incompatibility" depending on the education of the respondents is instructive. This "weight" is 50:17 in the group with lower than average education, 46:30 among those with average education, and 42:43 for those with higher education. In contrast, this "weight" increases with age: from 45:30 among people under age 24 to 51:17 among those over 55.

This means that the "incompatibility" belief is not so much ideological as traditional in origin in the sense of the tradition of "Soviet" isolationism as the primary means of self-affirmation and self-justification (and at the same time self-abasement) within the framework of the well-known Russian inferiority complex.

But how strong is this citadel of archetypal Soviet consciousness? Let us take some opinions on Russian democracy from the November (1994) poll (Table 2).

Table 2. Poll on Development of Democracy in Russia (November 1994) (in percentages of number of respondents)

Response	Overall	Large Cities	Villages
Democracy Is Not Suited to Russia.	8	5	10
Russia Has Not Yet Matured Enough for Democracy.	35	34	31
Democracy Is Being Formed in Russia.	16	19	13
Difficult To Answer	41	42	46

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It turns out that if the wording of the question is changed (making it slightly more concrete than in the case examined earlier), almost all its defenders leave the canonical bastion, evading an answer or using the argument "not quite yet." Of course, direct comparison of the data of the two different polls is unsuitable for strict calculations, but it still helps reveal certain qualitative characteristics.

The widespread opinion (or to be more accurate, the one easily triggered by the corresponding questionnaire) that Russian life is incompatible with "Western" life, including Western democracy, rests on Soviet (and even earlier) tradition rather than on any firm convictions. This functionally significant (within the framework of the complex mentioned above) shield is indefinite in terms of boundaries and therefore unstable.

The specter of restoration of the "old regime" hovered over the "perestroyka" years, while the specter of a new dictatorship has hovered over the subsequent years. The ambivalence of both specters is obvious: they have been feared and summoned at the same time, and often even by the very same people (groups). Today the very same sources feed nostalgia for the "iron hand" and fear of it: a sense of growing social chaos and rising distrust of democratic institutions.

For many months, public opinion has consistently evaluated the political situation as mounting anarchy.

Table 3. Evaluation of the Political Situation in Public Opinion (in percentages of the number of those polled; in all 1,600 people from the urban population were polled)

Possible Responses	February 1995
Establishment of a Dictatorship	9
Preservation of the Former Ways Under New Names	13
Development of Democracy	11
Loss of Order and a Mood of Anarchy	51
Other	3
Difficult To Answer	13

In this case it is irrelevant to discuss how adequately public opinion reflects the real processes, but to some extent opinions like those cited above are induced by the mass information media, rumors, and other things; it is important that people interpret the situation as chaotic, so it is not surprising that the demand to impose order, even at "any price," receives the broadest (declared) support. In November 1994, 81 percent (!) of those polled fully or largely agreed that "the state should immediately and at any price impose order in the country." Earlier, in July 1994, more than 70 percent expressed agreement with the idea that Russia needs a leader who would impose order with an "iron hand."

It is true that the number of people who are prepared to support the "iron hand" is only half as large, but still it is quite a few. More than one-third of those polled (in that same July) were prepared to support a dictatorship of military or security forces, while a slightly smaller proportion were prepared to oppose it (corresponding figures of 36 and 34 percent).

About one-half of the people who voted for the APR [Agrarian Party of Russia], the RF Communist Party, the LDPR, and PRYeS slates are inclined to support a possible dictatorship; more than half of the electorate of "Russia's Choice" and to a lesser degree "Yabloko" and DPR [Democratic Party of Russia] advocates express a readiness to oppose it.

To all appearances, the concepts of "strict order" or an "iron hand" are not identified with dictatorship in public opinion. Less than one-quarter of those polled (25 percent in April 1994, and 23 percent in November 1994) agree that establishing a "rigid dictatorship" is the only solution.

That generally is the fairly stable—at least until recently, until the political crisis in late 1994 and early 1995—distribution of public sentiments in relation to a dictatorship, at least sentiments expressed verbally and declaratively. Of course we certainly cannot relate the indicators cited above to real behavior. The one-quarter of those polled who acknowledge the inevitability of a dictatorship are relatively few in sociological sound-

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ing, but if one-quarter of the adult population truly supported a dictatorship, it would be mortally dangerous for any democracy. We do not have such a quarter of the population in society at this point. Day-dreaming and nostalgia "regarding" a dictatorship are just as incapable of establishing it as similar dreams and other things "regarding" human freedoms and rights are capable of securing democracy.

Public sentiments are also a definite social force, of course. More or less democratic sentiments (recognition of the importance of the freedoms and rights which we were speaking of, for example), even if they are merely sentiments and merely devotion to democratic symbols not backed up by a framework of organized action and social institutions, represent a certain barrier—one not too reliable but a barrier all the same—on the path of any kind of dictatorship. If only because they prevent political mobilization of the support forces of a potential dictator.

Other obstacles to dictatorship which can also be classified as "negative" are more essential in contemporary conditions: the lack or relative weakness of structures needed to form a minimally effective system of dictatorial government. We can name three of them: organizational structures ("levers," "drive belts," and so forth), a mechanism of mass mobilization (psychological support), and, finally, charisma (the personal attraction) of the leader. At this time, and obviously for the very near future, these components of a dictatorial regime have not been formalized or detected and are not recognized and disseminated in Russian society (although they do exist in some, though embryonic, form). And this is now the main obstacle to the establishment of any kind of dictatorship.

In other words, above all factors of lack of organization stand in the way of the "iron hand." It is more the present "chaos" than any new order (social institutions, movements, and organizations) which prevents a return to the "old order."

Since the end of 1993, lack of participation in political activity (refusal to support the power structures and persons in power, to participate in elections, and so forth) has become the strongest factor of the political situation in the country. It is often proclaimed with references to mass apathy, fatigue, and mass psychological phenomena similar to this. In light of the research and analysis data accumulated, we must acknowledge that these references in fact explain little. Apathy and fatigue are caused by something; moreover, often they are not detected at all.

Let us take, for example, data on interest in politics over a period of a few months.

Table 4. To What Degree Are You Interested in Politics? (In percentages of the number of those polled; about 3,000 people were polled in each case)

Possible Responses	April 1994	November 1994
To a very high degree	3	2
To a high degree	8	7
To an average degree	28	28
To a very low degree	25	35
Completely uninterested	36	28

According to the data of other studies, 34 percent of the respondents in the summer of 1993 indicated a lack of interest in politics, while 24 percent did one and one-half years later, in November 1994.

If we take indicators of the population's participation in various types of political activity, it turns out that they have changed very little recently.

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Table 5. Population's Participation in Various Types of Political Activity (In percentages of the number polled; about 1,600 people of Russia's urban and rural population were polled in each case.)

Did you happen to do the following recently?	June 1993	October 1994
Discuss the current political situation in Russia with friends?	66	59
Participate in a demonstration or rally?	2	4
Participate in a strike?	3	2
Write a letter to the mass information media?	7	2
Provide material support for any political group?	5	1
Participate in a political meeting?	1	1
Participate in a political party's activity?	1	1
Participate in a pre-election campaign?	3	3

Finally, let us address the topic of participation in elections. It is generally known that the percentage of those who voted fell sharply in 1993 as compared to 1989-1990, while it was even lower in 1994 local elections. What accounts for this? According to numerous poll data, respondents most often refer to a lack of suitable candidates and lack of faith in the idea that participating in voting has any significance rather than to a lack of interest (tables 6 and 7).

Table 6. Reasons for Failure To Vote

Reason	April 1994 Poll	November 1994 Poll
No Suitable Candidate	35	29
Vote Has No Impact	34	35
No Legal Elections	8	8
Out of a Sense of Protest	8	13
I Never Participate	5	10
Difficult To Answer	12	5

Table 7. People Who Are to Some Degree Interested in Politics But Do Not See a Suitable Candidate (in percentages of those polled)

Degree of Interest	April 1994 Poll	November 1994 Poll
Very Strong Interest	17	26
Strong Interest	22	32
Average Interest	25	37

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Degree of Interest	April 1994 Poll	November 1994 Poll
Little Interest	22	26
No Interest at All	25	26

In order to understand why "worthy candidates" disappeared for 5 years despite the apparent abundance of parties and nominees, we must look for fundamental changes in the situation itself, including in the demands which the electorate makes on their elected. To all appearances, the "universal support" before 1993 and the "universal criticism" of the 12 December 1993 model (in other words, positive and negative sociopolitical mobilization) were replaced by the expectation of a concrete program of actions which no one used to demand either of candidates or of their parties.

This is the origin of the supposition that "lack of participation in voting" may be resolved only with the transition from symbolic democracy to "participatory democracy."

Of the whole series of upheavals beginning in 1991, the "Chechnya war" political crisis in late 1994 and early 1995 is the crisis which is deepest and most fraught with far-reaching consequences. In this case we are speaking only of the fundamental, structural aspects of this crisis.

Every deep break in social structures destroys the network of external, customary covers and ties and reveals mechanisms of the operation of the entire system which are hidden in ordinary conditions. Let us now try to identify the main intersections of these mechanisms which were brought to the surface by the political crisis provoked by the events in Chechnya.

Above all it is the structure for adopting political decisions. Events have shown that a concentration of state power and authority on the presidential level, especially in crisis situations, leads to the reproduction of the method of action which was always characteristic of the times of a party monopoly on power: decisions are made in an extremely narrow circle of persons under pressure of local or sectorial lobbies and without professional analysis of the consequences. Acts of primitive willfulness are clothed in the malleable terminology of state and national, great power interests. The difference is, it is true, that in the party-Soviet political ritual, group or personal willfulness is concealed in appeals to the collective wisdom of the ruling hierarchy and to ideological traditions ("international aid..."). In the post-Soviet situation, all these code words have become senseless and substantially narrower and more utilitarian political intrigues have been affirmed, ones which in the ideological tradition are not needed (although in fact we cannot break away from them, especially if we bear in mind the great power leitmotif of Soviet ideology). Groups for servicing "political intrigues" have taken the place of political pressure groups.

As before, the mechanism for adopting decisions is not subject to any representative or governmental control. The attempt made after the crisis upheavals of 1991 and 1993 to concentrate decisive state powers in the hands of one person resisting an oppositionist parliament and the political majority created a risky situation of personalization of the regime—and in a situation where the hierarchy of support and performance that is "normal" for an autocracy was lacking. In these conditions, authoritarianism inevitably amounts to adventurism, frequently tragic and suicidal adventurism. The danger of this situation became obvious after the actual estrangement of presidential power from those political trends and sentiments which gave it democratic legitimacy after the sudden changes mentioned. The "Chechnya" revolt merely put an end to this process of authoritarian degradation.

Another intersection of the social mechanism which was opened for public review and discussion is relations between the authorities and the "public" (the mass information media, public opinion, and sociopolitical organizations). At the start of the political crisis, toward the end of 1994, it seemed that these relations had worsened to the limit of mutual endurance and could bring the regime to disaster. Later, the tension took on chronic and relatively slow-moving forms.

The acute tension and mutual criticism between the ruling structures and the "public" is an unprecedented phenomenon in contemporary domestic history, at least since 1917. The situation of practically free expression of opposition toward the authorities' actions in a setting of militarized tension is an unquestionable sign of the formation of some elements of a civil society. And the fact that the forces which launched the military actions in Chechnya could not make up their minds and were unable to cut the throat of civil opposition (they were not guided by any considerations, either tactical, diplomatic, or any other ones) serves as evidence of this notion.

However, public criticism of the authorities' actions and the particular actors had no tangible effect. The mass attack of the press and, in a different sense, the mass bombardment in Chechnya for several weeks seemed to

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develop on a parallel basis without hindering one another. It was perfectly obvious that the powers-that-be can generally fairly calmly endure and completely ignore public protest. And the most open, direct, sharp, and documented public criticism proved virtually helpless, since there are no mechanisms in society to convert the energy of criticism into real force. And not only in the sense of influencing authorities' decisions, but even in the sense of its own organization. In the first days after the military action had been launched and the mass, emotionally charged response to it, people could still hope that the next crisis would organize and unify the forces of democracy or, say, advocates of peace and legality. Later it became clear that these hopes were groundless. The sharp criticism of the authorities' actions came from different sides, and each of them tried to derive certain advantages for themselves from the new situation.

This applies not only to the "antiwar" camp of December 1994 which was extremely varied in terms of makeup and orientations, but also to relations among forces which were close in terms of common values. The opposition between the democracy which ruled ("Democratic Choice of Russia") and the "purely" oppositional democracy ("Yabloko") did not disappear even in the face of the new common dangers. Notably because it was tactically unfavorable for the "pure" opposition to join forces with those who were involved in the power structures.

A natural parallel can be drawn between the development of the operational situation in Chechnya and the course of the general political crisis in Russia. The adventurist attempt to settle accounts with Chechen separatism by the blitzkrieg method failed. But at the same time, the hasty attempt made at antiwar organization of political forces was not successful either. They were unable to establish in society, at least a predominant part of it, a military-patriotic mood despite the belated efforts at propaganda on the part of official organs and military departments. But the antiwar mobilization which was focused in the opposite direction did not take shape either. The passage of the situation into a long, drawn-out phase meant that the instrumental aspect of the new crisis (the inefficiency of the troops' actions, unjustifiably large losses, and so forth) rather than the fundamental aspect of it became the focus of public attention.

The "Chechnya" crisis of the authorities and society can be viewed on the same plane as a kind of rehearsal (it is unimportant whether it was planned in advance or occurred spontaneously) for a military-political coup and the establishment of a paramilitary dictatorship in Russia. The rehearsal failed, and not from mass opposition but from the inability to organize it. If we can be distracted from the countless victims and losses in the present case, it would be relevant to compare it with the failed rehearsals of the infamous putsch of 1989-1991. This failure gives no guarantees against repetition of similar acts by other forces and means, but it still allows us to assume that such forces and such strategies which were represented in Chechnya have little chance of success on an all-Russian scale.

Events in late 1994 and early 1995 showed with excruciating clarity that there is no democratic **order** presupposing mass **participation** in the activity of power structures and mass **influence** on their decisions operating in Russia. Practically all elements or rudiments of democracy which appeared and took root in society after the collapse of the Soviet regime are part of **"symbolic"** democracy (involvement with the symbols of democracy and, what is much stronger, repulsion against the symbols of the "old order"). In other words, there is no "democracy of order," but there is a "democracy of chaos," and one which is strong enough to make it difficult to mobilize public sentiments under the old or slightly updated great power banners, but too weak to take shape in organized structures, political and state ones. In the conflicting configuration of Russia's forces and structures in space and on the political stage, "democratic chaos" is doomed to play an important role for a long time.

*Decree and Statute on Organizing Voter Registration System

*Text of Decree

95UE0879A Moscow ROSSIYSKAYA GAZETA in Russian 20 Apr 95 p 4

[Decree of the Russian Federation Central Electoral Commission on the Interim Statute on Organizing a Statewide Voter Registration (Accounting) System]

[FBIS Translated Text] In order to implement articles 8 and 12, and in compliance with Article 11 of the Federal Law "On Basic Guarantees of the Voting Rights of Citizens of the Russian Federation," the Russian Federation Central Electoral Commission **resolves**:

1. To approve the Interim Statute on Organizing a Statewide Voter Registration (Accounting) System (attached).

2. That federal bodies of executive government, bodies of executive government of subjects of the Russian Federation, and electoral commissions of subjects of the Russian Federation shall adopt the corresponding measures to implement this Interim Statute.

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3. To publish this Decree in the Bulletin of the Russian Federation Central Electoral Commission and in ROSSIYSKAYA GAZETA.

Chairman of the Russian Federation

Central Electoral Commission N. T. Ryabov

Secretary of the Russian Federation

Central Electoral Commission A. A. Veshnyakov

Moscow, 14 April 1995, No 21

***Text of Statute**

954E0879B Moscow ROSSIYSKAYA GAZETA in Russian 20 Apr 95 p 4

[Interim Statute on Organizing a Statewide Voter Registration (Accounting) System]

[FBIS Translated Text] 1. The statewide voter registration (accounting) system shall be organized by the Russian Federation Central Electoral Commission jointly with the electoral commissions of subjects of the Russian Federation, with the participation of federal bodies of executive government and bodies of executive government of subjects of the Russian Federation on the basis of articles 8 and 12 of the Federal Law "On Basic Guarantees of Voting Rights of Citizens of the Russian Federation," Article 11 of the Federal Law "On Information, Installation of Information Systems and Information Protection," and articles 2, 3 and 4 of the Law of the Russian Federation "On the Right of Citizens of the Russian Federation to Freedom of Travel and Choice of Place of Stay and Residence Within the Russian Federation" for the purposes of preparing for and conducting elections of the president of the Russian Federation, deputies of the State Duma of the Federal Assembly of the Russian Federation, and other federal state bodies, foreseen by the Constitution of the Russian Federation, and elected directly by citizens of the Russian Federation in accordance with federal laws, and of preparing for and conducting referendums as well as elections to bodies of state government of subjects of the Russian Federation and to elective bodies of local self-management.

The statewide voter registration (accounting) system shall be organized with the goal of providing for the necessary guarantees of participation of voters in elections, and of forming electoral districts and election precincts, with regard for provisions of Edict No. 227, 28 February 1995 of the president of the Russian Federation "On Providing for Creation, Function and Development of the 'Elections' State Automated System of the Russian Federation (henceforth—GAS 'Vybory')" and Decree No 1454, 30 December 1994 of the Government of the Russian Federation "On Drafting a Federal Specific-Purpose Program 'Creation of a Statewide Automated System for Accounting for Persons Residing in the Russian Federation and Staying Temporarily on Its Territory, and Official Identity Documents for Them'."

2. The statewide voter registration (accounting) system shall of the heads of local administrations responsible for submitting information of established format to electoral commissions on voters residing in the corresponding territories.

The statewide voter registration (accounting) system shall provide for:

registration of voters, and compilation and updating of information on voters residing on the territory of the corresponding subjects of the Russian Federation, and beyond its borders;

use of voter data to form electoral districts and election precincts, and to compile lists of voters;

other election activities.

3. The following terms shall be used in this Interim Statute in accordance with federal legislation:

voter registration—accounting of citizens of the Russian Federation possessing an active right to vote;

place of residence—a residential building, apartment, official residential quarters, specialized homes (dormitory, shelter, mobile home, special home for the unmarried elderly, boarding home for the disabled, veterans and others) as well as any other residential premises in which a citizen lives permanently or primarily, as the owner, on the basis of a rental agreement (subagreement) or a lease, or on the basis of other grounds foreseen by federal legislation;

bodies registering and accounting for citizens of the Russian Federation at their place of residence—internal affairs bodies (in cities, settlements, rural population centers, closed military posts, as well as population centers located in the border zone or in closed administrative and territorial entities in which internal affairs bodies exist) or the local administration (in all other population centers);

GAS "Vybory" system administrator—official servicing the hardware and software of the automated information system in accordance with a statute approved by the Russian Federation Central Electoral Commission.

4. Voter registration shall begin from the day this Interim Statute is approved by the Russian Federation Central Electoral Commission.

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5. Voters residing on the territory of a rayon, a city, a settlement or other population center, including voting servicemen residing away from their military unit, shall be registered by the head of the local administration.

6. Permanent or primary residence of a voter on the territory of a rayon, city, settlement, or other population center, confirmed by data from bodies registering and accounting for citizens of the Russian Federation and their place of residence, shall be grounds for registering a voter in the indicated territory.

7. The head of the local administration shall compile voter information on a form approved by the Russian Federation Central Electoral Commission (Attachment No. 1), and forward data on the number of voters residing in the corresponding territory to the body of executive government of the subject of the Russian Federation and to the electoral commission of the subject of the Russian Federation no later than 1 June 1995.

When the information is compiled, consideration must be given to acts of bodies of civil registry offices regarding name changes of citizens possessing an active right to vote, other acts bearing upon a citizen's status, information from military commissariats on citizens who had been called up for military service and who had left for their place of service, and information on citizens in relation to whom court rulings recognizing them to be incompetent or court indictments have assumed legal force.

8. The body of executive government of a subject of the Russian Federation shall determine the number of voters residing on the territory of the subject of the Russian Federation on the basis of these data, and forward information of established format (Attachment No. 2) to the Russian Federation Central Electoral Commission no later than 5 June 1995.

9. The commander of a military unit shall compile information on voting servicemen located within the military unit, on their families, and on other voters if they reside within the bounds of the military unit's location, no later than 1 June 1995.

The procedure for submitting such information shall be developed by the Russian Federation Ministry of Defense, the Russian Federation Ministry of Internal Affairs, the Russian Federation Federal Border Service, and the Federal Government Communication and Information Agency under the President of the Russian Federation, with regard for this Interim Statute, within 2 weeks' time from the moment of its adoption, and it shall be approved by the Russian Federation Central Electoral Commission.

10. Information on voters residing outside the territory of the Russian Federation or participating in extended business trips abroad shall be compiled by the director of the corresponding diplomatic agency or consulate of the Russian Federation, and submitted to the Russian Federation Central Electoral Commission no later than 5 June 1995.

The procedure for submitting such information shall be developed by the Russian Federation Ministry of Foreign Affairs with regard for this Interim Statute, within 2 weeks' time from the moment of its adoption, and it shall be approved by the Russian Federation Central Electoral Commission.

11. In a subject of the Russian Federation in which the software and hardware of an automated information system is installed, and in which it is serviced by the GAS "Vybory" system administrator, data on voters shall be compiled in accordance with methodological recommendations and instructions of the Russian Federation Central Electoral Commission.

12. Personal data on voters shall be categorized as confidential information in accordance with the Federal Law "On Information, Installation of Information Systems and Information Protection." A voter shall have the right of access to documented information about himself.

Persons receiving and using information on voters shall be liable under legislation of the Russian Federation for violating the conditions of protecting, processing and using this information.

*Presidential Edict on Encoding Systems Critiqued

954F2127A Moscow IZVESTIYA in Russian 20 Apr 95 p 4

[Article by Grigoriy Tseytin, doctor of physical mathematical sciences, director of the Intellectual Systems Laboratory of the Scientific Research Institute of Mathematics and Mechanics imini Academician V. I. Smirnov, St. Petersburg University: "In Place of an Iron Curtain, an Electronic One: Concerning a Certain, Little-Noticed Presidential Decree"]

[FBIS Translated Text] I want to call attention to an edict of the Russian president, the destructive consequences of which are not apparent to the public because of its lack of adequate information concerning matters of information science. I am referring to the 3 April 1995 Edict No. 334 "On Measures Pertaining to the Observance of Legality in the Field of the Development, Production, Sale, and Operation of Encryption Systems, as Well as the Provision of Services in the Field of the Encryption of Data," which was published

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in ROSSIYSKAYA GAZETA for 6 April 1995 and consequently has entered into force.

Uninformed people may think that encryption is something exotic out of spy novels and that this edict affects no one but the military. Actually, at the present time cryptography is the only means of protecting information, including information that constitutes intellectual property; it is widely used in computer operating systems (for example, for identifying users and their right to access data), in data compression programs, to protect information in data banks, to preserve confidentiality in electronic mail, to verify the transfer of money between banks, and in other cases.

Can you imagine the promulgation of an edict such as the following?

"For the purpose of ensuring the unconditional receipt of funds by the Russian Federation state budget in accordance with tax legislation of the Russian Federation and also to accommodate numerous wishes of citizens of the Russian Federation, I decree:

"1. that all items of property on the territory of the Russian Federation, including money in Russian and foreign banks, are the exclusive property of the Russian Federation Tax Service;

"2. that the use of items of property mentioned in Article 1 by legal entities and individuals shall be permitted exclusively on the basis of licenses issued according to established procedures by the Russian Federation Tax Service;

"3. that the Russian Federation Department of Tax Police, together with the Russian Federation Federal Counterintelligence Service and the Russian Federation Ministry of Internal Affairs, shall engage in the identification of legal entities and individuals who violate the requirements of this edict;

"4. that this edict shall enter into force without publication."

As far as I know, there has not yet been such an edict, but the effect of an edict such as the one that has entered into force with respect to intellectual property will be analogous to the effect of the one I have made up.

Article 4 of Edict No. 334 prohibits any activity associated with the development, production, sale, and operation of encryption systems without a license from FAPSI [Federal Agency for Governmental Communications and Information]. If the concern were with protecting the owners of information against the use of inferior encryption systems (which, incidentally, is not presented as a motive in Article 4), the approach reflected in the federal Law on Information, the Establishment of Information Systems, and the Protection of Information would be more appropriate; Article 22 of that law contains the following provisions:

"5. The risk associated with the use of uncertified information systems and the means for protecting them lies with the owner (or possessor) of those systems and means.

"The risk associated with the use of information obtained from uncertified information systems lies with the user of the information."

Thus, the owner and user of the information is left the right to choose between state certification and other means (and the protection of information through encryption is, unquestionably, one of a number of means for securing information systems).

Inasmuch as Edict No. 334 leaves no such choice, it is logical to suppose that the compulsion to use only encryption systems licensed by FAPSI is aimed at making all information unconditionally accessible to that service, since only systems of encryption which FAPSI can decode would be licensed.

Existing Russian standards for encryption systems are not publicly available. That may seem normal to the layman unfamiliar with this field. Actually, encryption systems usually consist of general algorithms (and programs) that are identical for all users of a system, plus individual "keys" that their owners keep secret. If a system is intended for a wide range of users, it is logical to publish the principles and algorithms being used so that any specialist can convince himself, to the extent of his own competence, of the dependability of that system and the absence of "secret doors" that would allow anyone to easily discover the code without possessing the "key." That is precisely why the American DES [commercial data encryption] standard for the encryption of nonmilitary information was once published. Judging from published articles, our GOST [State Standard] 28147-89 is analogous to DES, but unlike it, it does not disclose the content of the so-called "substitution units," and it is common knowledge that these "substitution units" can be chosen in such a way that the security of a system will be reduced to nil.

Let us move on to other articles of Edict No. 334. Article 5 orders the customs service not to allow the importation of unlicensed encryption systems into Russia. In practice, such importation can be carried out either on magnetic media (diskettes) or over electronic networks. In order to cut off the second route, it would be necessary to cut off communications over the Internet

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with foreign countries, something which would result, at the very least, in the scientific isolation of our country.

As for the inspection of diskettes by customs officials, we have already been through that. Diskettes are not your video cassettes with pornographic materials. Can anyone seriously believe that some customs official would be able to make sense of information that is sometimes accessible only to specialists? What would most likely occur are critical objections stemming from ignorance and over-cautiousness. There is another danger, as well: an acquaintance of mine was sent a diskette from abroad containing a bibliography, but what arrived was a diskette covered with dirty fingerprints and infected with a computer virus. Quite seriously, the inspection of data on magnetic media is tantamount to its confiscation. First, all the data could be copied and henceforth used freely by the parties conducting the inspection. Second, the original, returned to the owner, could be damaged or distortions could have been introduced into the data that he would be unable to find out about at the time of the inspection.

Article 6 of the same edict orders detection of those who violate the ban on cryptography. For all intents and purposes, this would require the universal monitoring of the content of the memory of all computers as well as the universal interception of data transmitted over phone lines. In reality, the prescriptions of Articles 5 and 6 could not be fully implemented. So what would most likely happen is that the "competent organs" would, according to their own whims, "selectively" confiscate data from citizens and organizations they found troublesome.

Collaboration with foreign companies in developing commercial software would also become impossible, since foreign partners need a guarantee that no one but them will copy the products acquired by them and will not file copyrights on them.

Incidentally, U.S. law-enforcement agencies are also concerned over the development of encryption systems, since evidence obtained through the interception of data plays an important role in their judicial practice. It appears, however, that they are more law-abiding than the Russian president, since they have not resorted to such crude measures. They have forbidden the exportation from the United States of encryption systems (which is absolutely ineffective, since there are systems that have been developed outside the United States for precisely that reason). Moreover, they attempt to encourage the producers of encryption equipment to use "[escro-encryption];" that is, encryption that is done by a secret method and uses "keys" issued by government agencies. In general, it is time for both American dictatorial types and their Russian imitators to realize that it is impossible to stop technical progress and that society is moving toward a situation in which it will be no easier to read someone else's data than to read someone else's thoughts. We ought to be adapting our legislation to that situation in advance and not trying to grab those who are moving forward by the legs.

In my humble opinion, the points of the edict that have been cited are so flagrantly contrary to civil rights that they are not subject to execution at all.

Law Boosts Federal Security Service Status

954F2221A Moscow MOSCOW NEWS in English 21-27 Apr 95 No 15, p 3

[Article by Nataliya Gevorkyan: "KGB's Offspring Strengthens Its Position"; first paragraph is introductory paragraph]

[FBIS Transcribed Text] The new renaming of the State Security Committee (formerly KGB) is just a way to expand its powers.

The adoption of the Law on the Federal Security Service (FSS) could be regarded as a subject won back. But last week information leaked to the press referring to a high-ranking representative of one of Russia's secret services, who said they have formed a special detachment of 30-40 people ready to liquidate the Chechen opposition with the same resolve as the Israelis did with Arab terrorists. I have no doubt that the person in question is the representative of the FSS. The logic is simple: the Main Intelligence Department does not have to set up any detachment because they already have one. Foreign intelligence won't operate on the territory of Russia. And the presidential guarding structures have nothing to do in Chechnya. The Law on the FSS restored the right of the secret service to have special units. True, it does not say that they can engage in political assassinations.

Let's get back to the law. It may be recalled that it was adopted by the State Duma on February 22, 1995. Recently it was signed by the president and published. The draft law on the Federal Counterintelligence Service (FCS) was being submitted to the Committee on Legislation. The reforming of the Ministry of Security into the FCS became the result of Yeltsin's efforts, after the events of October 1993, to restrict the sphere of Lubyanka's activity to purely counterintelligence functions.

What has changed with the adoption of this law? Nothing. As Yuri Baturin, president's aide for national security put it in an interview shown by the NTV channel, they will simply do what the law said before, but without a law. The reaction of Baturin to the

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adoption of the law was restrained approval. Stepashin looks satisfied. It looks as if his department too is strengthening its positions.

The law is not awful, but it operates through people and from that viewpoint it is important as a character of political guidance, as well as the mentality of concrete executors. Vladimir Rubanov who had worked for many years in the KGB, believes that the mentality of the secret service men was formed under the influence of two basic factors: on the one hand, loyalty to the state, which enables them to adapt themselves to the changing of power. On the other, the KGB was regarded as the armed detachment of the party and was placed above the society and the law. It is not true that all of them resigned themselves to the loss of this superiority.

Certainly, just like any structure, the secret service has a bent for enhancing its political influence and prestige, moreover in the recent past with such an omnipotent entity as the KGB. The transformation of the FCS into the FSS is a sign of raising the prestige of Lubyanka. The rank of a general of the army for its head, bringing him to the same status as that of the Defense Minister, also means something. The adoption of the law more or less in the form in which the secret service created it for itself is yet another step to increase its self-confidence. Didn't the impudent statement by one of the leaders of this secret service about the intention to commit a grave crime become the result of all this?

Most likely it was a deliberate leak of information, in order to scare off someone from Dudayev's entourage or check up on society's reaction. As experts explained to me, in Israel it is banned even to talk about the unit engaged in special operations. Indeed, a normal secret service won't share with a journalist such intentions but will mask everything so as not to reveal any classified information. In fact, the FCS did not succeed in secret operations if we are to judge from the start of the Chechen campaign. It must be said that it did not become easier with organized crime in the country either, although all services are fighting against it, including the FCS-FSS.

All those I talked to share the view that whatever our secret services and whatever the law adopted about them, the only guarantee of the rights of citizens and their protection is a strong and independent court. I agree but fear very much that the formation of such a court may take more time than the reanimation of a powerful and particularly uncontrolled power structure. The latter is especially dangerous in the election period, fraught also with changes in the country's political life.

*1994 Migration Statistics Reported

954E0897A Moscow DELOVOY MIR in Russian 18 Apr 95 p 5

[Unattributed report under the rubric "Statistics": "Migration Growth Has Almost Doubled"]

[FBIS Translated Text] The decline in the migration activity of the population which had been observed in Russia since the early 1970s has been replaced by a slight rise in this figure. Even without counting forced migration in connection with events in the Chechen Republic, migration turnover (total arrivals and departures within the country's borders) per 1,000 in population came to 41 people as compared to 39 in 1993. Taking into account external migration, this indicator increased from 49 to 51 people, while in 1989-1993 it dropped by an average of 6 people every year.

The volumes and directions of international migration have changed:

Table 1. Volumes and Directions of International Migration

Countries Involved in Migration	Arrived in Russia		Left Russia		Migration Growth (Decline)	
	1994	1994 Level as Percentage of 1993 Level	1994	1994 Level as Percentage of 1993 Level	1994	1993
Overall, thousands of people	1,149.7	124.3	339.7	68.6	810.0	430.1
Countries of the Near Abroad	1,146.4	124.2	231.8	62.8	914.6	543.6
Including:						
Azerbaijan	49.5	90.5	6.1	53.1	43.4	46.2

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	Arrived in Russia		Left Russia		Migration Growth (Decline)	
Armenia	46.5	155.9	1.9	97.6	44.6	28.1
Belarus	43.4	125.1	27.8	60.3	15.6	-12.0
Georgia	66.9	95.6	4.7	94.9	62.2	65.1
Kazakhstan	346.4	177.0	41.9	60.9	304.5	132.6
Kyrgyzstan	66.4	68.7	9.9	98.1	56.5	85.7
Latvia	26.4	101.9	1.4	60.2	25.0	24.3
Lithuania	8.4	43.6	1.5	64.4	6.9	18.0
Moldova	21.4	110.4	9.4	63.1	12.0	5.9
Tajikistan	45.6	66.4	3.7	62.3	41.9	63.5
Turkmenia	20.2	155.4	2.8	45.7	17.4	5.6
Uzbekistan	146.7	160.9	11.3	55.1	135.4	68.7
Ukraine	247.3	130.6	108.3	63.0	139.0	-1.0
Estonia	11.3	78.5	1.1	66.9	10.2	12.9
Countries of the Far Abroad	3.3	137.5	107.9	93.1	-104.6	-113.5

In 1994, for the first time in the postwar period, a positive migration balance took shape with all states which were republics of the former USSR. Compared with 1993, it rose by a factor of 2.3 in migration exchange with Kazakhstan, by a factor of 2—with Uzbekistan, and by a factor of 1.6—with Armenia. After a 5-year interval, the number of people who arrived in Russia from Ukraine and Belorussia once again exceeded the number of Russian citizens who left to go to those places. A negative balance was retained only in migration exchange with the states of the far abroad.

The overall migration growth of the population rose by a factor of 1.9 during the year and came to 810,000 people. Overall 1.1 million people moved to Russia (as opposed to 700,000-900,000 every year for the last 25 years), while 300,000 people left its borders (as opposed to the corresponding figures of 700,000-500,000 people).

The age of the migrants has no discernible effect on the overall age structure of the country's population, although Russian citizens leaving the country are overall slightly younger than the immigrants:

Table 2. Age Groupings of Migration

Proportion of Migrants in the Following Age Groups:	In Percentages			
	Arrived in Russia	Left Russia	Migration Growth	For Reference: the Entire Population
Under Working Age	23.6	22.6	24.0	23.3
Of Working Age	65.6	68.3	64.5	56.6
Over Working Age	10.8	9.1	11.5	20.1
Those With Higher, Incomplete Higher, or Secondary Specialized Education	50.1	46.0	51.7	37.0

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Most of the people who moved to Russia in 1994 were Russians (727,000 or 63 percent), but a substantial number of the immigrants were also made up of Ukrainians (133,000 or 12 percent), Armenians (63,000 or 6 percent), and Tatars (50,000 or 4 percent). Among emigrants to the countries of the near abroad were 115,000 Russians (35 percent), and to the far abroad—24,000 (7 percent).

The number of forced migrants continues to rise. According to the latest data of the Russian Federal Migration Service [FMS Rossii], there were 702,500 officially registered refugees and forced migrants in the country. In 1994, 259,000 people received this status; among them 64,000 (25 percent) came from Kazakhstan, 60,000 (23 percent)—from Uzbekistan, 33,000 (13 percent)—from Kirghizia, and 24,000 (10 percent)—from Tajikistan. Moreover, as of 28 March of this year, 299,800 people who had been forced to leave their former place of residence in connection with the events in the Chechen Republic had applied to the FMS Rossii organs.

***Elite Clubs for Politicians, Businessmen Noted**

954F2137A Moscow SEGODNYA in Russian 18 Apr 95 p 10

[Article by Andrey Baranovskiy under the "Dossier" rubric: "The Elite Comes Together at the Clubs"]

[FBIS Translated Text] The traditional form of integrating the elites (economic, political, military, and academic) is the creation of clubs, which incorporate representatives of all the above-mentioned elites. Since 1992, this process has also been going on in Russia. The number of such clubs is quickly growing. In Moscow alone today, there are about 20 (Club '93, the Moscow International Finance Club, the International Russian Club, the Moscow Commerce Club, the Realists, the Interaction Reform Club, the Council on Foreign and Defense Policy, the VIP Club, and so on). Elite clubs are neither voters blocs nor lobbying organizations. However, it can be asserted that a certain segment of the educated public and of the mass media have begun to listen to their opinions, appraisals, and prognoses.

Many of the widely known clubs do not have a strict political orientation (although there is still a difference between the centrist Realists and the liberal Interaction). The memberships of the clubs intersect: For example, the well-known entrepreneur Kakha Bendukidze, and also the editors in chief of IZVESTIYA and NEZAVISIMAYA GAZETA, Igor Golembiovskiy and Vitaliy Tretyakov, are members of most of them.

Among the clubs, it is possible to single out a minimum of three types. The first are "clubs proper." Their only form of activity is meeting and the discussion of certain topics. And most of those present at the meetings are regular members. Information on the progress and results of the discussion reaches the "outside world" either by club members individually or at most through the dissemination of a verbatim report of the meeting.

Clubs of the second type are "brain-center clubs." As a rule, they take their discussions to the stage of finished texts, which are either published or presented to interested parties. For the preparation of such texts, a permanent apparatus exists, or experts are brought in from outside. In addition, these clubs sometimes carry out their own research programs.

The third type are "platform clubs." They have either a very small number of permanent members or do not have a fixed membership at all (except the club leadership). At their meetings, such clubs strive to attract practitioners and experts in the discussed topic through the prestige of the invitation itself.

Interaction Reform Club

Organized at the beginning of 1992 by Yegor Gaydar with the aim of providing support to the reforms and the government on the part of industrialists and entrepreneurs. Unites current and former ministers and deputy ministers from Gaydar's team (Andrey Nechayev, Sergey Vasilyev, Sergey Aleksashenko, and others), well-known economists from academic circles (Leonid Abalkin, Stanislav Shatalin, and others), industrialists (Mikhail Yuriyev, Aleksey Shulunov, and others), private entrepreneurs (Kakha Bendukidze, Konstantin Borovoy, Aleksey Vlasov, Garegin Tosunyan, and others), and journalists writing about economic matters. Most of the club's members hold by their liberal views.

Club meetings are held approximately once every month or two. Economic questions are discussed. The detailed reports on the club meetings are not published officially, but are disseminated fairly widely in political and professional circles.

In order to join the club, recommendations from three club members are required, and the payment of a fixed entrance fee. In addition, there are a number of people who are regularly invited to meetings (mainly theoretical economists and journalists).

The VIP Club

Formed in August 1991. It seems that this was the first serious attempt at self-organization by Russian private entrepreneurs. The organizer of the club is Ivan Kivelidi. At the present time it has 101 members and candidates.

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The overwhelming majority of them are private entrepreneurs, with a sprinkling of industrialists, deputies, officials of the executive authority, and academic scholars and journalists. Always at meetings, one topic is discussed, and there is a primary speaker.

The authority of the VIP Club is testified to by the list of people who were its guests (speakers) in 1994: then Deputy Prime Ministers Aleksandr Zaveryukha, Aleksandr Shokhin, and Sergey Shakhray; Ministers Georgiy Melikyan and Yuriy Shafranik; and then Central Bank Chairman Viktor Gerashchenko.

Meetings of the VIP Club are sometimes accompanied by a "cultural program." Thus, a meeting dedicated to the problems of Russian arms exports (the speaker was one of the leaders of Rosvooruzheniye) took place at the Moscow Rifle Club, and afterward, those interested had the opportunity of practicing at the shooting range.

The Council on Foreign and Defense Policy (SVOP)

Founded on 25 February 1992. At the present time the number of its regular members is about 50. Among them are the deputy secretary of the Security Council of the Russian Federation, Vladimir Rubanov; aide to the president of the Russian Federation Dmitriy Ryurikov; Deputy Chairman of the Government Sergey Shakhray; the first deputy ministers of defense and internal affairs, Andrey Kokoshin and Mikhail Kolesnikov (head of the General Staff); Andrey Adamishin; the heads of factions and committees of the State Duma (Konstantin Zatulin, Vladimir Lukin, Sergey Yushenkov, Grigoriy Yavlinskiy); the editors in chief of newspapers (Igor Golembiovskiy, Vitaliy Tretyakov).

Of the representatives of economic elites, at least seven are members of SVOP. Among them are also leaders of the state economy (Nikolay Mikhaylov—president of the Vympel corporation, Svyatoslav Fedorov), and representatives of private business (Lev Vainberg, Vladimir Vinogradov, Anatoliy Dubrovin, Oleg Kiselev, Mark Masarskiy).

The rules for accepting members into SVOP are fairly stringent (recommendation by three members and a vote at a collegium—with no fewer than two-thirds of the votes necessary to pass). At large meetings—assemblies, which are rather rare—up to 50 guests are generally invited. At its meetings, SVOP discusses not only foreign economic and military questions, but also internal political ones as well. Generally, the basis for discussion is a report prepared on SVOP's order by prominent specialists, and, as a rule, then published.

SVOP has several permanent research projects, which are carried out through the efforts of its members and experts who have been brought in. Project topics are Russia's national security, party-political structure, Russian-Ukrainian relations, and so on.

The Realists Club

The Realists Club was founded on 14 March 1994. The initiator and chairman of the club is the former head of the president's administration and today the chairman of the State Investment Corporation, Yuriy Petrov.

The club has about 100 members. Broadly represented in it are deputies to the State Duma and Federation Council (eight persons), leaders of political and public organizations (seven persons), trade unions (six persons), and the mass media (11 persons). A distinguishing characteristic is the broad representation of the academic elite (seven persons), and of leaders of components of the Federation (eight persons).

At the head of the club are the chairman and the board, comprising 15 persons. Among the members of the board are Aleksandr Vladislavlev (first vice president of the RUIE [Russian Union of Industrialists and Entrepreneurs]), Yekaterina Lakhova (leader of the parliamentary faction Women of Russia), Mikhail Shmakov (chairman of the Federation of Independent Trade Unions), Valeriy Neverov (head of the Hermes concern), and also four leaders of Federation components—Aleksandr Belyakov (Leningrad Oblast), Yegor Stroyev (Orel Oblast), Yuriy Spiridonov (Komi), and Nikolay Fedorov (Chuvashia).

At every meeting of the Realists Club, one political or economic problem is selected for discussion. As a rule, a speech is given on this problem and a text proposed, expressing the general position of the club's members. After discussion and in the event that the given text is approved, it is given over to the press (which is purposely widely invited to club meetings) and to one of the club's working groups (there are nine of them). After revision in the working group, the material comes out, and is often sent to the government or the president's administration.

The majority of the members of the Realists Club, according to today's Russian political terminology, can be classified along with the so-called "centrists" or "moderate opposition" (including such of its leaders as Lyudmila Vartazarova, Sergey Glazyev, Yegor Stroyev, Artur Chilingarov, and so forth). Which makes natural the practically total absence in it of representatives of the federal executive authority, and, on the contrary, the presence of representatives of the Soviet nomenklatura (former deputy chairmen of the USSR Council of Ministers Vladimir Gusev and Vladimir Shcherbakov, and intelligence head Leonid Shebarshin).

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Representatives of industry within the Realists Club's composition number 12 persons. Among them we should single out the heads of KamAZ, Nikolay Bekh and Leonid Komm, and of the Russian joint-stock company YeES of Russia, Anatoliy Dyakov and Mirab Ratishvili; the president of the joint-stock company Transstroy, Vladimir Brezhnev; and the head designer of the Ilyushin aviation complex, Genrikh Novozhilov. There are about 10 prominent entrepreneurs from the nonstate sector. Among them, the most famous are the already-mentioned Kakha Bendukidze, Valeriy Neverov, Aleksandr Tikhonov, and also the chairman of the board of Mosbusinessbank, Viktor Bukato.

The Suzdal Club

Formed 30 September 1992, as an international club having as its purpose the strengthening on the interpersonal level of integrationist ties among states, regions, and public and political organizations on the territory of the former USSR. Among the true members of the club are representatives of Russia, Ukraine, Armenia, Estonia, and Germany. At the present time, a branch of the Suzdal Club exists in Armenia, and a Ukrainian branch is preparing for registration.

The Suzdal Club, it seems, is the only non-Moscow club that is well-known throughout Russia. It exists thanks largely to the active support of the head of administration of Vladimir Oblast, Yuriy Vlasov, and a number of Vladimir entrepreneurs. The president of the club is Veronika Nikolayeva.

There are about 30 true members in the Suzdal Club. Among them are politicians Ramazan Abdulatipov, Sergey Shakhray, and Nikolay Fedorov; public figures Yevgeniy Kozhokin and Yevgeniy Saburov; businessman Mikhail Bocharov; representatives of academic science Aleksey Kara-Murza, Viktor Kuvaldin, and Vadim Mezhuyev. However, true members appear at by no means every event, and the activity of the club is not focussed on them. The true members are not the backbone of the Suzdal Club, but its calling card.

The main activity of the Suzdal Club consists in the conduct of thematic symposiums, congresses, roundtables, and working meetings dedicated to the discussion of the most important problems of public life, politics, the economy. The number of participants in these meetings varies widely—from two or three dozen to more than 100 people. But the most competent specialists and practical workers in the problems under consideration are always invited.

A peculiarity of the topics discussed at the Suzdal Club are their strategic importance, their long-term, not momentary, nature. As an example, we can point to several that were discussed in 1994: "The New Russia in World and Regional Geopolitics," "The Russian Model of Stability," and "The Reformation of Russia: Results and Prospects."

***'Itogi' Examines Rosvooruzheniye Scandal**

954F2220A Moscow NTV in Russian 23 Apr 95 p 1

[Report by NTV correspondent Aleksandr Gerasimov on Yevgeniy Kiselev's television program "Itogi," including clips by Shaposhnikov and Samoylov, broadcast on NTV 23 Apr 1995]

[FBIS Translated Excerpt] [Kiselev] Seriously speaking, however, the scandal that has flared up this week around the Rosvooruzheniye ["Russian Arms"] company was appraised by many Russian publications as an election campaign move on the part of political opponents of the speaker of the Russian parliament's upper chamber. Aleksandr Gerasimov reports on the details of the scandal of the week, followed by Viktor Litovkin and Aleksandr Zhilin, our program's experts on military and military-related topics.

[Gerasimov] Specialists who deal professionally with arms sales were not be surprised to learn that criminal proceedings had been initiated following the results of the comprehensive audit of the Rosvooruzheniye company: Wherever big government money is involved, one can always find—from the standpoint of a government bureaucrat—violations and abuse. Indeed, there is substantial money flowing through Rosvooruzheniye. Even given the considerable—compared to Soviet times—decline in the volume of sales, its annual income amounts to billions of dollars. In this situation nobody was caught redhanded. Criminal proceedings were initiated regarding violations of financial discipline, which it was practically impossible not to violate. Rosvooruzheniye was created in 1993 by Yeltsin's decree merging three post-Soviet structures involved in arms exports—the Main Administration for Joint Work and Cooperation, the Oboroneksport [Defense Exports] association, and the Spetsvheshtekhnika [Special Equipment Exports] committee. Each of these organizations had its own accounting, record-keeping structure, and bank accounts. All of this was mechanically merged under the roof of Rosvooruzheniye, where it was later exposed by the presidential staff's Control Administration and the Ministry of Finance audit. According to Marshal Shaposhnikov, the president's authorized man in the area of the arms trade, the scale of exposures will not be limited to Rosvooruzheniye.

[Shaposhnikov] The audit was conducted in many structures left after the creation of Rosvooruzheniye, namely, after November 1993. An audit was conducted at

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Promeksport [Industrial Exports]; an audit was conducted at Voyentekh [Military Equipment], although Voyentech in fact is no longer a legal entity and was abolished by a government decision. An audit was also conducted at Rosoryzhiye [Russian Arms]; an audit was also conducted at Goskomoboronprom [State Committee on the Defense Industry], and, well, at Promeksport, in particular—at all structures. Therefore, when they say that a criminal case has been initiated against Rosvooruzheniye—this is too...not very precise, let us put it this way. The audit...that is, the criminal case, has been initiated on violations of financial discipline in the area of arms sales. And these things involve not just the Rosvooruzheniye staff.

[Gerasimov] It appears that as a result of the audit and the criminal investigation that will follow, Rosvooruzheniye's last remaining competitors may be removed and the Russian arms trade will be completely monopolized. It is possible that the scandal leaked to the press pursued this goal as well. Meanwhile, former Rosvooruzheniye chief General Samoylov, dismissed from his job as a result of the audit, believes that both the leak from the Control Administration and the audit itself were organized out of other considerations.

[Samoylov] Most likely, though, this is another attempt at a power struggle in the same company—Rosvooruzheniye—by other forces. This is for the specialists to figure out. As an analyst, I cannot tell. I think this plays into the hands first of all of our competitors. The Americans, the French, the West Germans, the Japanese, the British—those, who are eager to jump into this market.

[Gerasimov] The version that foreign intelligence services, interested in undermining the authority of Russian arms traders, had something to do with the Rosvooruzheniye case so far has not been confirmed by anyone, although nobody argues that in such a delicate matter as, for instance, selling submarines or a large consignment of tanks, the seller's reputation plays an important role. Meanwhile, the outline of the conflict between the current leadership of Rosvooruzheniye and its predecessor Samoylov already has emerged. The arms sales company has issued a statement indicating that the criminal case involves only the previous—not the current—leadership, implying unequivocally that Viktor Samoylov is responsible for all the sins. All these bureaucratic squabbles would not be worthy of attention had it not been for a number of circumstances bringing public interest into the incident. The point is that the final composition of the group of commercial banks, authorized to handle Rosvooruzheniye's transactions, was finalized under General Samoylov. One may assume that some new powerful banks have come onto the scene that enjoy the patronage of higher-ups and wish to avail themselves of the arms sale spring. This scenario would explain why General Samoylov has to be portrayed as a strictly dishonest person who chose the wrong banking structures. And since this is the case, a real opportunity emerges for new banking structures to become Rosvooruzheniye's operational partners.

[Samoylov] Well, with those...those banks that work at the level of Rosvooruzheniye—they are all very solid structures, which have already passed through all the stages of what I would call the initial elation over power or the wheeling and dealing that produces quick and easy money. Most likely this is an attempt at reshuffling. That is, not on the part of those banks, safe and solid, with which Rosvooruzheniye is working, but perhaps other, peripheral ones, or those trying to break into this dining room and get a piece of the big pie, who are still trying to magnify this situation as allegedly criminal and thus to divide up the business anew. Only this situation, from the viewpoint of commercial banks. The banks themselves make money in this case only as operators. The annual gross revenue of a company such as Rosvooruzheniye is in excess of $1 billion. So you count: Considering that operations structures have a few percent off it, you can live on this and do nothing else. But since there are quite a few such banks, and they specialize in their regions, you start tugging on the blanket... By the way, this was one of the charges leveled against the Rosvooruzheniye leadership: that he allegedly favors some banks over others. In my tenure as general director I have not broken relations with a single bank.

[Gerasimov] Meanwhile, reports have begun to appear in the mass media that the Rosvooruzheniye audit was conducted under the patronage of Aleksandr Korzhakov, chief of the Presidential Security Service. There is no formal evidence of his participation in the process. Nevertheless [word(s) missing] the former minister now in charge of arms sales believes that he plays a very important role in bringing order to commerce in arms.

[Shaposhnikov] When they speak negatively about Korzhakov these days—that he, well, allegedly has a habit, so to say, or whatever, of controlling something. I want to say that, first, he is guided by the president's edict, which tasks...in keeping with which Korzhakov is tasked with overseeing this sphere as well, in the sense of security, in the sense, of, well, watching out for the interests

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of the state, and so on, and so on. And when they say that Korzhakov is responsible for the personal safety of the president, let us look at security in a broader sense. It probably includes not only physical safety. Since the president issued the edict creating Rosvooruzheniye, and since by the same edict Korzhakov is tasked with oversight, he oversees it. And he ensures the president's security in both the moral, and the ethical, and the financial, and so on, and so on, sense, so that it may not be held against the president afterwards that the president brought to life a structure that is engaged in questionable business. And in this, I think, Korzhakov's role is very positive. Since he does look into these things, it means that he finds time for this too.

[Gerasimov] Actually, Aleksandr Korzhakov does not have to have free time these days to oversee the arms trade. According to the Rosvooruzheniye staff, all key jobs related to the sales of military equipment are held by officers of the former Committee for State Security—General Korzhakov's subordinates. The latest of those, Colonel Kotelkin, assumed the helm of Rosvooruzheniye last November, replacing the dismissed Viktor Samoylov. General Samoylov thinks, however, that the Chekists, who have jumped into something that is not their cup of tea, could bring disorganization into the already diminished trade business.

[Samoylov] That it was mainly special services...former specialists of the special services who, because they turned out to be the best prepared for the concrete situation, yes—this is, in principle, not always absolutely positive. And if this one-sidedness continues to develop, the company will simply lose its authoritative standing, this time in the domestic market. That is, manufacturers will find more optimal or more, so to say, fast-working and economically lucrative schemes than Rosvooruzheniye offers.

[Gerasimov] Whichever way this scandal around Rosvooruzheniye develops, its true motives most likely will never become public knowledge, regardless of what intentions were guiding the parties to the conflict and those standing in the shadows of it. State interests, the high rank of the participants, and huge money will not let the fighters loose under any circumstances.

Aleksandr Gerasimov, NTV television company.

[Commentary by Litovkin and Zhilin omitted]

[Kiselev] Our experts also suggest that in the time that remains at least until the parliamentary elections, more sensational scandals will spill out into the press, in particular, some associated with certain sectors of Russian exports, and so on.

*'Itogi' Views Kozyrev Statements on Use of Force Abroad

954F2220B Moscow NTV in Russian 23 Apr 95 p 1

[Commentary by Yevgeniy Kiselev, anchorman of television program "Itogi," broadcast on NTV 23 April 1995]

[FBIS Translated Text] [Kiselev] Well, let us turn now to foreign policy issues. It appears last week Russia's Minister of Foreign Affairs Kozyrev had to live through a few unpleasant moments during his weekly meeting with President Boris Yeltsin. In any case, such was the conclusion many journalists arrived at after INTERFAX distributed material under the headline "Kozyrev Defends His Position on the Possible Use of Military Force in Exceptional Situations for Protection of the Citizens and Interests of the Russian Federation." Indeed, this INTERFAX report says that the tough-worded remarks by Kozyrev in the course of his speech at the Foreign Policy Council were indeed discussed in the course of the weekly meeting with Yeltsin on Thursday. Kozyrev said this in response to an INTERFAX correspondent's question. Let us point out that the tough words Kozyrev spoke in the course of his speech at the Council for Problems of Foreign and Defense Policy were not the only such instance. We will talk about this in more detail.

[Kozyrev] Unfortunately, the events of the past weeks or days have been marked by bloodshed resulting in casualties among Russian and other CIS countries' border troops. I want to make it clear to everyone that such actions will be repulsed in a most decisive manner, using all the means of armed struggle that Russia, and, I think, other CIS members have at their disposal. Having said this clearly and unequivocally, I want to emphasize once again that we will not tolerate killing of our people and will apply all, I emphasize, all means at our disposal, fully in keeping with the UN Charter and the norms of international law.

[Kiselev] These remarks by Kozyrev resulted in the Tajik opposition delegation walking out of the consultations. The Russian MFA [Ministry of Foreign Affairs] representatives characterized the opposition's walkout as an attempt to intimidate Moscow and Dushanbe, to put pressure on them. Observers both at home and abroad, however, pointed out once again that Russian diplomacy and its head personally are increasingly often resorting to rhetoric from a position of force. Actually, the verbal demarche of the Russian minister of foreign affairs at the inter-Tajik consultations was not, as I have already mentioned, the first—it was the third incident over just this past week that Kozyrev, using his own terminology, marched under the banners

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of "healthy national-patriotic interests." This term—"healthy national-patriotic interests"—was coined by Kozyrev during the second, quite symbolic, instance, when he spoke last Wednesday in court as a respondent in the claim filed by Zhirinovskiy, who felt that the minister had insulted him at some time by characterizing his views as fascist and neo-imperialist.

"You see, we are immediately subjected to accusations—whether our nationalism is healthy or sick, of a fascist kind. Yes, of course, it gets in the way: It is one thing to defend healthy national-patriotic interests, and another to be all the time in a way encased in this scandalous shadow of Zhirinovskiy."

[Kiselev] The third instance over the past week of the minister of foreign affairs publicly enunciating his understanding of how healthy national-patriotic interests should be defended took place, as already mentioned, at the meeting of the Foreign Policy Council. Elaborating on the topic of protecting the interests of Russian citizens and merely compatriots abroad, Kozyrev said:

[Kozyrev] We all generally know the arsenal of means in the most abstract form: from expressing mild, so to say, displeasure in a statement by an anonymous representative of, let us say, the MFA—this is the mildest option—to the use of force, and not necessarily only of a political or economic nature, but also direct force, armed force. I cannot rule it out, and now there will be talk again that there are two Kozyrevs, but I had said the same thing in 1991. I said: It is necessary to use armed force to protect our citizens abroad and defend our compatriots. It is another matter that the entire arsenal should be used. And another question is how to use this arsenal. And another question—not to make either option an absolute—neither statements by anonymous representatives, which we also use sometimes, nor, even more importantly, use of force.

*Lukin Comments on Kozyrev 'Use of Force' Remarks

954F2220C Moscow NTV in Russian 23 Apr 95 p 1

[Interview with Vladimir Lukin, chairman of the State Duma International Affairs Committee and former Russian ambassador to the United States, by Yevgeniy Kiselev, on the television program "Itogi," broadcast on NTV 23 April 1995]

[FBIS Translated Text] [Kiselev] Our guest today is Vladimir Petrovich Lukin, chairman of the State Duma International Affairs Committee and former ambassador to the United States, a man who has known Russian Minister of Foreign Affairs Andrey Kozyrev for a long time and professionally. Well, Vladimir Petrovich, tell me: These tough-worded statements Andrey Vladimirovich has been delivering over the past few days, and in general the change that he seems to be going through—is it a coincidence or a logical development? And generally speaking, perhaps all this is much simpler; perhaps Kozyrev is behaving like the old Bolshevik in the famous joke who, in answer to the question on the interrogatory as to whether he had participated in all sorts of scheming deviations, wrote "fluctuated in keeping with the party's general line."

[Lukin] Generally speaking, I am in principle against the situation where a person who is still actively involved in government work talks about his colleagues or opponents, anything whatsoever—good or bad. You know, our entire politics—you mentioned Russian statehood—is brimming with monstrous, so to say, personal scandals, accusations against one another. All right, so now we have freed ourselves from the curtain, behind which there existed strict, perhaps too strict, rules. But now there are no rules. I am not a supporter of this state of affairs.

[Kiselev] Are you saying that you will not share your personal reminiscences...

[Lukin] Personal reminiscences...

[Kiselev] ...regarding your contacts with the leadership of our foreign policy agency?

[Lukin] I will share my personal reminiscences with you right here, in this studio, as soon as I am not, for instance, re-elected in the next elections and find myself without an official position. Believe me, I have a lot to tell. Right now I can say only this: Of course, altruistic love for higher-ups is present in these actions—this is a constant factor in this case, you see...

[Kiselev] Do you want to say that Andrey Kozyrev, the Russian minister of foreign affairs, has a fine sense of the fluctuations of political mood of the political leadership, including the president, Boris Yeltsin personally, and tried in a way to anticipate...

[Lukin] All you need to do is correlate the constant fluctuations with the unfailing survivability, and the conclusion you have just reached becomes absolutely obvious.

[Kiselev] What did you mean: "the constant fluctuations with the unfailing survivability?"

[Lukin] The constant fluctuations in his, so to say, views and outlook, with the unfailing survivability as minister of foreign affairs. Which means these fluctuations revolve around the general line, as you just said. And the general line is formed somewhere

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in the immediate anteroom, which he picks up and translates very quickly. Not just him, by the way. This is extremely counterproductive for politics, because it mixes up all the cards and as a result does not let those around us, all our partners, know what is it we want, and what will happen tomorrow, considering that until very recently we were conducting two completely different policies with respect to the Baltics at the same time: We were saying that we would not withdraw the troops, while at the same time we were withdrawing them. And at the same time as we were saying that we would withdraw the troops on schedule, we were not withdrawing them. All of this together, this is all surrounded by constantly changing words. This begets simply a sense of frivolity and light weight in our foreign policy. And this is happening in almost every undertaking. Look at all the episodes regarding our attitude toward the expansion of NATO. Constantly changing words, intonations, actions, visits, and so on.

[Kiselev] But there are many who like this. Look: Tough statements regarding NATO, or, for instance, somewhat tough statements regarding the partners in the talks on the situation on the Tajik-Afghan border. Russia in a way once again reveals itself, through the mouth of the minister of foreign affairs, as a strong power, which can bang its fist and intimidate with its force...

[Lukin] Yes, you have touched on an interesting topic here. First. You just banged quite energetically on this fragile table, and you were saying precisely what you were doing. When you said you were banging your fist, this is precisely what you did. We, on the other hand, behave in a diametrically opposite manner. Our talk is loud, and sometimes even shrill, but at the same time we show the finger but keep it in our pocket, instead of banging our fist. That is why I said in the past, if you recall, that we have increasingly less force while having increasingly more enforcement structures. You see? I myself, being a realist, understand very well that talk alone does not work in politics, and I myself have said this on numerous occasions.

[Kiselev] All right then, if we start talking...

[Lukin] But the minister of foreign affairs should not behave like this. This is the first thing. And second: I think right now he has become overzealous and is not playing in unison. Because we are expecting guests. We are expecting guests who do not like this and who may jump on this, and some may not even come.

[Kiselev] Speaking about guests, what is your opinion: How realistic is the assumption voiced recently: That changes in Chechnya were somehow coordinated with those high officials who are planning to visit us at the beginning of May? For instance, the statement, unexpected for many, that Russia is willing to begin negotiations with field commanders in Chechnya without any preconditions. Is it true, in your opinion, that Clinton, Kohl, and all the others who are coming here on 9 May were told that by that time the bloodshed would have stopped?

[Lukin] I believe that this is quite plausible. After all, we do clean up, put padding on the bleachers, and raise flagpoles. In Chechnya they are also cleaning up. It is quite another question whether it will be a mess here a week after the guests leave.

[Kiselev] What do you think?

[Lukin] I think that everything I know tells me that it may become somewhat messy.

[Kiselev] And what is it that you know?

[Lukin] I know only one thing—I know our style and behavioral code of times past. Right now, those statements you mentioned—they did take place. But before that our prime minister said that there was nobody there to conduct negotiations with—nobody was there. You see? Therefore we can, of course, go looking for field commanders, look for them until about the 10th and simply not find them. And that will be the end of it. That is why I think that everything that is happening is a tactical ploy, both with respect to Chechnya and on a broader scale. I am more concerned, by the way—tragic as the situation in Chechnya may be—about how things will be, in the broad sense of the word, in the summer and fall with respect to the elections.

[Kiselev] Does this mean that despite all the statements on the part of our leaders, including Boris Nikolayevich himself, you nevertheless doubt that the elections will take place?

[Lukin] I cannot rule it out because I know what serious forces have a stake in derailing the normal constitutional process, not implementing it...

[Kiselev] What forces are these?

[Lukin] Well, these are forces that have something to lose and are certain that they will lose because of the elections.

[Kiselev] Do you have in mind politicians who never at any elections...

[Lukin] ...do not participate...

[Lukin] ...can get elected to any position?

[Lukin] ...who are completely loyal to the vertical executive authority. Their political life is inconceivable outside the executive authority, and these politicians

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will, of course, do everything to turn the situation back. Right now they are not going to do it on the eve of the visit, because the agenda the leading Western politicians will being here is clear—they will seek guarantees. And I am almost certain that they will get verbal guarantees. What happens afterwards, however, we will see. But the tragedy of the situation is that we keep asking ourselves, mentally and out loud: Can this happen? We tell everyone: It cannot; but on the other hand, it can happen. You see, everybody understands very well that currently there are no effective guarantees here against the Turkmen-bashization of our politics, our political life, and therefore we mentally look over our shoulder: What will these uncles say? Strictly speaking, this is bad—this waiting and looking at these uncles: What they will say, how much influence they will have, and to what extent will those on our side be, so to say, intimidated by these uncles. This is bad, even humiliating.

[Kiselev] Well, generally this is indeed humiliating for the democratic forces, but we have to admit that our main hope for the survival of democracy is currently pinned on the fact that the West will not let it happen, will not permit it.

[Lukin] To be honest, I do not link it with the West for two reasons. Reason No. 1: I do not particularly believe in the West's, so to say, quixotic burning desire to fight for our democratic legal system...

[Kiselev] Interesting—I was just about to ask you about this.

[Lukin] You know, I, for instance, overestimated the West's reaction with respect to the Chechen situation. I thought public opinion would have more impact on the positions of their governments. In the final analysis, the governments have forgiven our leadership for Chechnya, and their coming to the May celebration of Victory Day—which by itself I welcome in every way, of course—represents an act of looking the other way when it comes to Chechnya. This is on one hand. On the other, did you notice how U.S. Defense Secretary Bill Perry—a very nice and highly intellectual person, by the way, whom I respect very much—toured the former Soviet Union? He visited us, and visited Kiev—just following ritual, actually—and visited Tashkent, Uzbekistan, soon after the solemn act of bashization had been performed there.

[Kiselev] Bashization, as you call it. I should put this in my arsenal.

[Lukin] Yes, the solemn act of bashization. Anyway, he visited Tashkent. Why? With one single purpose. Because Tashkent takes a clear and rather intractable position on some aspects of military cooperation within the CIS and with Russia. That is, you see how the realpolitik of, so to say, the balance of forces, the reluctance to permit integration, including military-political, of the former Soviet space, interferes with the contention that they prefer to support first of all democratic regimes—after all, by their standards we are still a predominantly democratic regime, with freedom of speech, independent television, for instance, and so on. I have certain concerns regarding all this. Although in principle I disagree with the thesis that the West can easily forgive us, or forgive someone at the top, if they one fine day just go ahead with bashization of our country. Also, take America. The Republicans have now won in both chambers of the congress—a very powerful and influential congress. The Republicans—this means Reagan, who started this whole process with us, which they consider their victory, and Bush, who took this process to the end. Well, the Democrats certainly do not want, in terms of their own prospects and considerations, to find themselves in a situation where the Republicans, on the eve of their domestic elections, would say: We had won Russia; democracy had won there; it had become a friendly country toward us...

[Kiselev] ...and you lost it...

[Lukin] ...and you completely lost it. So it may not pass, and most likely will not pass, but because of the Americans' domestic considerations. I want to repeat, however, that I am not at all happy about this, and I would prefer to have internal guarantees, and we need to build them.

[Kiselev] Do they exist, though?

[Lukin] The Constitution contains semi-guarantees, very questionable from a legal standpoint. But the main problem of defending even this Constitution is whether there will be forces in Russia—competent, civilized political forces—capable of playing, within the framework of legality and within the boundaries of order, and protecting this order, an active role in defending what has been gained over these 10 years.

[Kiselev] Well, Vladimir Petrovich, thank you for your interview with our program.

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Media Issues

*Sensationalist Report on Information Agency Edict Attacked

954E0900A Moscow ROSSIYSKIYE VESTI in Russian 26 Apr 95 p 2

[Article by Nikita Vaynonen: "Big Policy in the Tangles of Petty Sorting Out"]

[FBIS Translated Text] The closer it gets to the elections, the more complex the relations between the press and the authorities become. The matter is complicated by the absence of a unified information policy, since each branch of power sees it in the light of its own interests. December of '93 has already demonstrated the gloomy consequences to which this may lead. Yet time and time again, unfortunately, we run across squabblers who, either through natural tendency or through incapacity for serious politics, are more inclined toward the "politics" of petty, but noisy, sorting out. ROSSIYSKAYA GAZETA has been especially renowned for this for quite some time now. On 25 April, it published another "prompt," which, as usual, was given a frightening headline: "Censorship Committee Is Being Established...".

We must give credit to the ROSSIYSKAYA GAZETA editorial staff. They somehow managed to obtain the strictly preliminary, working draft of the presidential edict, "On Formation of a Unified Federal Agency for State Information Policy of the Russian Federation (Gosinform)," as well as the accompanying analytical note of the head of the RF [Russian Federation] Presidential Administration, S. Filatov. (The reference by RG to the broadcast, "Without Retouch," as its source was superficial, since the broadcast made only passing mention of the draft, while S. Filatov's note was not mentioned at all.)

We should also reproach the presidential services which were created especially for the purpose of ensuring informational openness regarding the actions of the authorities: Where is it, this openness? Can they not see that it is specifically the absence of it which allows the trouble-makers to use the "exposed secrets" for their own scandalous purposes?

What is the subject of discussion in the draft edict obtained by RG? "On the basis of the RF Committee on the Press (Roskompechat) and the Russian Federal Service on Television and Radio Broadcasting (FSTR)," a unified structure is to be created, i.e., the two departments are to be merged into one. Judging by the publication in RG, Gosinform will not have any new functions as compared with those fulfilled by Roskompechat and FSTR. This "realization of state policy in the sphere of the mass media and control over adherence to legislation on the mass media," is none other than registration and licensing. Journalists know perfectly well how many problems have accumulated here, and how powerless the existing structures are in resolving them. Will the unification of the departments help? In my opinion, it is unlikely. The press and broadcasting have too much that is specific to each. And also, the experience, for example, of that same Poltoraninskiy and the sad recollection of the FITsA shows that super-concentration of functions does not give anything, but may cause harm. However, this is merely my opinion and, of course, others are possible. The draft edict must be discussed with participation of the journalists themselves (which, by the way, I stated in that same broadcast, "Without Retouch," where the ROSSIYSKIYE VESTI correspondent was presented as some kind of reactionary). However, it would be fruitless to seek in RG even some hint of any businesslike discussion. The entire publication, begun in the first column and continued in the second, is a continuous unsubstantiated deprecation of Sergey Filatov and Roskompechat Chairman Sergey Gryzunov, who are accused of wishing to gain "unlimited power over the mass media." Perhaps at RG they have already forgotten the stubbornness with which they supported Poltoranin's project for establishing the infamous fund for development of the mass media. What will Gosinform get if it is created? Judging once again by the RG publication, a few buildings of the departments being unified, plus the chairs, tables and computers "found in them." Well, and also the telephones (evidently, in order to exercise the "telephone right," which, as the participants of that same broadcast, "Without Retouch," so rightly noted, already has no chances in the journalistic medium). And what would the Poltoranin fund, which RG so greatly desires, stand to gain? Publishing houses, paper combines, broadcasting centers—all the means of production of information. Why, then, did not RG shout about the desire of its unannounced chief toward "unlimited power over the press?"

I do not know whether the Gosinform will be created or whether once again, as has repeatedly been the case, journalists have simply been used for launching a test balloon. However, one thing is clear: Without a coordinated information policy, it will be bad both for the press and for Russia. To cover over the possibility of serious discussion of this matter with a populist squabble is dishonest and stupid.

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***Ostankino General Director Shevelev Interviewed**

954F2224A Moscow ROSSIYA in Russian
No 11, 26 Apr-2 May 95 p 8

[Interview with Grigoriy Shevelev, general director of the Russian State Television Company Ostankino, by Vera Kolosova; place and date not given; under the rubric "Conversation Before Witnesses": "Grigoriy Shevelev: 'The Roots of Ostankino's Tragedy Lie in the Past'"]

[FBIS Translated Text] "Television—the Undivided Empire" was the title of the material on the problems of television we published at the end of last year. The subject was that a redistribution of property is underway on television, that it is being openly turned into a television business and does not fit the definition of a state institution. What had been going on both on the air and in the television company's back rooms was not acceptable to many. Soon after the publication of our material, the president proposed merging the two state channels, but later reversed his decision. While he was mulling the problem, the idea of converting Channel 1 to joint-stock holding began brewing in Ostankino's bowels. This idea was accepted—the president issued an edict on setting up the Russian Public Television company [ORT]. Then events took an extremely dramatic turn. Vlad Listyev, appointed to lead the ORT, was killed. The problems of Channel 1 became a front-page fixture. Nevertheless, many questions remain. Today we pose them to the first deputy chairman of this company, Grigoriy Shevelev, general director and first deputy chairman of RGTRK [Russian State Television Company] Ostankino and a member of its board of directors.

[Kolosova] Grigoriy Aleksandrovich, there is no doubt that television needs to be reorganized. What is ORT, and what is Ostankino?

[Shevelev] The search for new forms of organizing television broadcasting is a needed process. It is another matter that, in my opinion, it is proceeding rather chaotically. The question regarding the state of affairs at ORT should best be addressed to those who are at its helm. As to Ostankino, formally it has not lost its status as a state company engaged in the production of television and radio products; it has retained membership in international broadcasting unions, and maintains contacts and bilateral relations. But there is one "but." The presidential edict transferred the programming responsibilities for Channel 1 to ORT, and Ostankino is now left without an outlet. This is a situation we are not accustomed to. But, as they say, there is a bright side to everything. What happened will force Ostankino to reorganize its work.

[Kolosova] You are at both Ostankino and ORT, right?

[Shevelev] The idea of Ostankino's participation in ORT is mine: In order to coordinate activities, enable ORT to function normally, air Ostankino's problems, and quickly solve operational problems, there should be a person who can bring everything under one denominator.

[Kolosova] In the article "Television—the Undivided Empire" I wrote that one of the main causes of many problems at Channel 1 is that such problems as form of ownership in Ostankino have not been resolved. That is, who has control of the air time and advertising, who owns the equipment, and so on. Has this problem been resolved now that ORT has been set up?

[Shevelev] Ostankino has very little property. Sixty cars, and some equipment which Ostankino began to purchase. The television center's building is state property, which has been placed under the management of the Television Technical Center. As to the airwaves, they are a national resource of the state. Nobody owns them, and they cannot be transferred to anyone. One can get a proper license permitting broadcasting on a particular frequency. Now ORT has been organized, and in its charter capital 36 percent belongs to the GKI [State Committee for the Administration of State Property] and 9 percent to Ostankino. In order to transfer Ostankino bureaus abroad and in the CIS, we had to return this property to the GKI, and the GKI contributes this property in its own name as part of the aforementioned 36 percent. And in order for us to cover our part, we need permission from the GKI to use this state property to cover our 9 percent. Strictly speaking, there is no property to speak of when it comes to Ostankino.

[Kolosova] The television we have been seeing on Channel 1 since 1 April differs little from what was on before. Except that maybe the advertising is no longer there. For how long has it been suspended? How do you manage without advertising these days?

[Shevelev] This question should be addressed to ORT's leadership, not me. As to Ostankino, it can only produce its output if ORT buys the programs we offer them.

[Kolosova] How will program buying be handled? Through the system of producers introduced by ORT?

[Shevelev] Programming department managers decide what to put on the air and what not. The first deputy general director in charge of planning coordinates managers' activities, and from this a package of programs forms that we give to ORT; then the first deputy director sells these programs.

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[Kolosova] What will Ostankino live on? Only on the programming it sells? Or does the state continue to finance Ostankino, since it remains a state television center?

[Shevelev] Ostankino has financing. It can cover only one-third of its financing needs. You probably know that there is a plan to divide Ostankino into state television and state radio. We hope, or at least this is what we write in the documents we send to the government, that we will have a state order for five hours of broadcasting a day. It must be financed by the government; first and foremost, this financing should be directed into socially significant programs. Because commercial television supports first of all popular programs. It is the state's task to support classical music, theater, and literature.

[Kolosova] Tell me, who is going to determine the fate of such programs? When will they be broadcast, in what time slots?

[Shevelev] The broadcaster.

[Kolosova] ORT?

[Shevelev] Either ORT, or television Channel 6, or some other channel in Saratov or any other.

[Kolosova] So far, the conclusion that comes to mind is that the air time went mostly to three companies: Ren-TV, VID, and ATV. Does this have anything to do with the fact that the people who represented these companies were involved in organizing ORT, or is there another explanation for it? I heard today, for instance, that Voroshilov and Maslyakov did not sign a contract with ORT...

[Shevelev] I, of course, would rather not drive a wedge between these three television companies and juxtapose them against Ostankino. Much of what these companies are doing originated in Ostankino. These companies became independent on Ostankino's base. But I am convinced that the time has come to start learning to work in market conditions. Small companies adapt better to the modern conditions. I am not inclined to exaggerate the achievements of these three companies and diminish those of Ostankino. It is another matter that each of the currently existing companies has its own idea of what television should be like. Ren-TV's thrust, for instance, can hardly be correlated with that of VID or ATV. It is different television, a different approach. Although you are right, of course, that participation in organizing ORT and pushing Channel 1's conversion to joint-stock holding was all the doing of these people. The policy ORT conducts will also be important.

[Kolosova] So far, it is hard to trace the concept. The only thing that is prominent is the orientation toward ratings. It is probably the right thing to do to some extent. But to what extent? Take NTV, for instance: They form their ratings instead of hanging on the tail of indicators—often questionable—of particular programs' "viewability." At Channel 1, however, they do precisely that—follow the ratings. If you watch Mexican soap operas every day, people develop reflexes, like Pavlov's dogs.

[Shevelev] It is a mistake to think that all programs put out by VID, ATV, and Ren-TV are ratings-oriented. And the same goes for Ostankino. The rating is one of the instruments that could help fine-tune the structure of broadcasting. And in general, the structure of broadcasting is more of a creative than a mathematical concept. It is more the view of the channel's leadership on what it should be. Can one person or a group of people answer the question: How? And so far it is not clear how certain programs came to be on ORT—is there a certain logic to it or not; is Channel 1's direction changing or did they get to be there by accident? ORT's leadership has only a very general idea of what the channel should be. A concept is a something that takes time and effort.

[Kolosova] Who will be developing it?

[Shevelev] This is a misdirected question. ORT is forming Channel 1's concept, not Ostankino.

[Kolosova] In your opinion, however, when a rather revolutionary reorganization starts, one should probably have a concept, should one not?

[Shevelev] I know that Vladimir Listyev presented a concept at the board of directors meeting. Perhaps it was in line with the board of directors' interests; I do not know. Neither do I know to what extent it has been changed now. I can only say that a lot of work is still needed to build up the channel and have it represent different views—political, economic, and esthetic.

[Kolosova] In the past the state owned the hardware. Who owns it now?

[Shevelev] The state.

[Kolosova] And who runs it?

[Shevelev] The Television Technical Center.

[Kolosova] There is talk about privatizing it.

[Shevelev] ORT will buy out some of the hardware that belongs to Ostankino. That is, the part that is owned by Ostankino, not the television center.

[Kolosova] Will it become private property?

[Shevelev] It will be the property of ORT shareholders.

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[Kolosova] Is this a joint-stock company based on private capital?

[Shevelev] The form of ownership is private, of course—it is, after all, a joint-stock company—but with the participation of the state capital.

[Kolosova] ORT's creation was met with hostility. It is not accidental that a general meeting was held, and an appeal to the State Duma issued. In your opinion, why?

[Shevelev] There were different reactions in Ostankino. Initially conflict stemmed from the method used in creating ORT. Lack of information on what was going on, and what would happen; lack of discussion on how to best proceed. The second problem stems from the fact that a considerable number of staff who comprised Ostankino's gold reserves will not be needed. For a variety of reasons. Some will have to change professions; some will have to retire. And third, people who work here—at least a great many of them—are very concerned over the fate of national television. I would not reduce it all to contentions that all the Ostankino staff is thinking about is its daily bread. The slogan—Let us create television that is as good as that in the West—is incorrect. When there is a desire to create something in the likeness of something else, this is precisely when one fails. My experience tells me that you cannot build a program or a channel on the "how" principle. You have to build something that is your own. If we tried to do this, we would probably have a channel that would on the one hand be ratings-oriented, and on the other, be aimed at the high spirituality that has always been part of our mentality.

[Kolosova] The new ORT programming schedule is now in effect. I looked in the TV guide, and saw that the "Railway Station of Dreams" program with Yuriy Bashmet, for instance, has been moved from 2300 to 1500. Speaking of our national treasure, our spirituality—what would you call this? This is nonsense. Many enlightening programs are disappearing, washed out by cheap entertainment.

[Shevelev] Do you believe that it would be better if "Railway Station of Dreams" aired at 2300?

[Kolosova] Of course.

[Shevelev] Speaking about the schedule, in my opinion, the schedule is currently not well thought-through.

[Kolosova] How do you see your role in ORT?

[Shevelev] I would like to try to keep the creative potential that exists in Ostankino. I would like to use all my influence to retain some enlightening programs, to work out the technology of interaction with minimal losses.

[Kolosova] Do you intend to reform Ostankino itself? There have long been things in the Ostankino structure that are not perceived as anything but nonsense. For instance, the existence of the Musical and Entertainment Programs Studio, where show business and classical music have to coexist.

[Shevelev] If the president signs the edicts on Ostankino, if at least some financing is allocated, and if the decision is made that the new Ostankino is not going to be a legal successor to the old one with respect to debt, then we will talk about changing its structure. We already have some ideas. We will cut the staff and the number of services. The studios will be organized on the principle of producing companies, and will keep on staff those who are engaged in forming the portfolio of orders and organizing creative activities. Instead of the Musical and Entertainment Programs Studio we will organize the Ostankino musical center. Keeping in mind that we will have to look for partners and customers, we will form a service for distributing the product to different channels.

[Kolosova] I have already heard rumors that there will be about 15 people left in program groups. The program head, anchorpersons. The middle level—directors, editors, technical personnel—will be hired on contact. Are you not afraid that television will lose its professionalism entirely?

[Shevelev] There will be people left in Ostankino capable of putting projects together. The editor, musical editor, anchorpersons, producers.

[Kolosova] Who will determine the quality of the project and the idea? I know that when competing projects existed, the best one did not always win... In the past at least there were creative councils; in some respects they were probably bad, but some things at least were decided by a group of people rather than one person. If it is all left to the producer now, we know how this will end in our situation.

[Shevelev] For a producing structure the question of quality is not as acute; what is acute is the question of choosing the direction, searching for a project, and relations with the broadcaster. Whether we work on a project or not is decided in the final analysis by the customer who purchases it. So the broadcaster will select projects to fit their taste. My opinion actually is that creative councils should be set up at ORT.

[Kolosova] But this is precisely what I meant—otherwise why would it be called public television?

[Shevelev] I respect the choice of producers for ORT, but each of them could benefit from a certain consulta-

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tive body. As well as the ORT board of directors as a whole.

[Kolosova] In your opinion, has the conflict between Ostankino and ORT run its course?

[Shevelev] No, although we, myself in particular, are doing everything we can. It will be over only when the government confirms Ostankino's status, whatever it will be.

[Kolosova] How do you feel about the draft law adopted by the Duma?

[Shevelev] There is politics, and there are realities of life. The law that has been adopted and still needs to be approved by the Federation Council has no foundation. Let us assume it is adopted: On what financial base will Ostankino exist? Will other banks come? But then, what will change? Will there be state financing? But the government and the Duma committees had the opportunity to decide this at the beginning of the year. It is naive to assume that the people there were unaware how much money will be needed to finance television, and now suddenly their eyes have been opened. Generally, I am a supporter of state television, but they had to think about it earlier.

[Kolosova] Did the latest leadership of Ostankino, people who are incidental to television, play a role in Ostankino's current plight?

[Shevelev] Ostankino's tragedy did not begin today or yesterday. It goes back at least five years, when the habit developed to use television as a coin in the political game. When Ostankino chairmen were replaced at least once a year, and each new chairman who came here and had never worked in television before believed that he knew how to reform it. He was wrong. Some eight months later he finally, and with great difficulty, learned what needed to be done, but by then he had already been dismissed. How can one blame Ostankino's collective for having been treated like this?

***TASS Journalist Describes Conflict With Barsukov**

954F2209A Moscow ZHURNALIST in Russian Apr 95 No 4, p 17

[Article by Tamara Zamyatina, under rubric "Conflict Situation": "Not Suspected of Decency"]

[FBIS Translated Text] **On 27 January the Judicial House for Informational Disputes, under the RF President, considered a statement from ITAR-TASS political commentator Tamara Zamyatina, in which the journalist accused the Main Security Directorate of the Russian Federation [GUO] of persecuting her for her criticism and of violating her right to obtain and disseminate information. The Judicial House qualified the actions of the GUO as being arbitrary and in violation of the RF Constitution and the RF Law on the Mass Media. ITAR-TASS commentator T. Zamyatina comments on what occurred.**

Of course I knew what I was doing when I sent IZVESTIYA the article "The Illegal Nature of the Special Services May Lead to the Creation of a Police State in Russia," which was published on 7 December. As you may recall, it mentioned that we are seeing a re-emergence on the political scene of the forces that kept the country in a state of frozen immobility for 70 years. Except that now it is no longer the NKVD [the People's Commissariat for Internal Affairs] or the KGB, but the special services of the Russian President. It is the structure to which they belong that enabled them to count of keeping Boris Yeltsin and the President's administration strong enough to put in place over-zealous functionaries — generals Aleksandr Korzhakov and Mikhail Barsukov.

However, the head of state, after the Mafia showdown that had been perpetrated by his special services in downtown Moscow on 2 December, issued the order about five days later, seemingly unwillingly, to conduct an investigation. And those people in the Kremlin who, in conversations with me, expressed their sharp indignation with regard to the "Myuller cap" that had been placed on them by the two generals, preferred to remain unnamed.

Somewhere I read that you cannot judge people for being cowards. Cowardice is, as it were, an innate ailment, like being a humpback or lame. But with respect to my Kremlin sources, I would say that this is an acquired illness.

None of those whom General Korzhakov branded, in his interview with ARGUMENTY I FAKTY, as "so-called analysts," "unstable liberals," and the Kremlin's "gigolos" of the criminal structures who "led around by the hand the female journalist from IZVESTIYA," did not make a peep in reply. They just hid. It was better, they felt, for everyone to lick their wounds together, than, heaven forbid, to reveal themselves by public polemics.

It seems to me that, to a certain extent, it is we journalists who created for the special services a kind of halo of dark and terrible force, in the bowels of which the mysterious analytical centers that are capable of any plot were created. On the basis of my experience in confrontations with the special services, I am convinced that they are strong only as long as they are operating anonymously. So as soon as you deal directly with that Barsukov, it turns out that we have overestimated him.

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On 17 December I sent him a fax, requesting him in an official procedure to clarify the actions taken by his subordinates that were violating my journalistic rights. I deliberately underlined the last line: "I hope that you will have sufficient bravery to carry out this simple deed." I was mistaken. Subsequently I prepared yet another article concerning the activities of the GUO. Once again I sent Barsukov a fax, proposing that we get together to discuss the article that was being prepared. I wanted him to make his own comments concerning documents bearing his signature that I had in my possession. These were on a completely different topic. I immediately got a telephone call from GUO. They wanted to meet with me. But without Barsukov. The general was bashful. Nevertheless it seemed that the GUO would be able to find inventive brains to support the boss's image.

However, on the day of the session of the Judicial House For Informational Disputes, under the RF President, I was completely disappointed by my opponents from the Main Administration of the Protection of the Russian Federation. When, on 17 December, they crossed my name off the list of journalists accredited to attend the session of the Public House and, without any explanations, rescinded my official pass to the Kremlin, a GUO worker who had almost frozen to death while waiting for me stated joyously, "You are never going to be allowed to come here again." Standing alongside of him were militia men and Mikhail Sazonov, deputy chief of the GUO Operational Department, all of whom listened and nodded. My fellow journalists and deputies and employees of the President's administration whom I knew were allowed in, and passed by me. They would stop and ask what the problem was, and they would be surprised. Tanya Orlova, from Russian Television, summarized the situation by saying, "Well, if they won't let TASS in, then that's really something..." A communique was sent out over the agency's tape, in which an apology was made to the subscribers that TASS would not be throwing any light on the session of the Public House. Sergey Filatov, the head of the President's administration, publicly stated that an official investigation concerning the violation of a journalist's rights would be initiated.

But in an official reply to an inquiry from the Judicial House, Mikhail Barsukov wrote that I simply had been too late for the beginning of the work of the Public House.

Such a bold-faced lie would be simply ridiculous, if it did not contain such an obvious charge of insolence. Let us assume that the general does not give a damn about whether, by his lying, he is perverting his subordinates, serving for them as an example of official behavior. But, by doing so, he is hurling an obvious insult at everyone who was observing the outcome of the conflict.

In its decision, the Judicial House under the RF President established that the absence of a response to an official request from the ITAR-TASS commentator, and the refusal to allow that commentator to appear at the session of the house "do not correspond to the high status of the Main Administration of Protection." That is not surprising if the special services have placed themselves above the law and above elementary decency.

It would seem that the investigation has ended, as usual, in a compromise. Marina Nekrasova, the new head of the President's press service, has reported that I will be able to be present in the Kremlin, as in the past. Except that now I will have to request a new pass each time. The guardsmen insisted on having it their way.

Well, I really wanted to engage in polemics with more worthy opponents. That is why it is necessary to do everything to put in their proper place the bodyguards who have rushed to power.

*"Sociological Portrait' of Regional Journalists

954F2209B Moscow ZHURNALIST in Russian
Apr 95 No 4, pp 22-26

[Article: "The Regional Russian Journalist: Experiment in a Sociological Portrait"

[FBIS Translated Text] **The Foundation for the Protection of Publicity, jointly with the Yevraziya [Eurasia] Foundation, and with the participation of experts from Moscow and a number of regions, have completed a major research study "Journalists and Regional Russian Journalism." The study encompassed eight regions, each of which represented a certain group of subjects in the Russian Federation — Arkhangelsk, Voronezh, Yekaterinburg, Kazan, Rostov-na-Donu, Samara, Nizhniy Novgorod, and Novosibirsk. In each region, from 140 to 180 journalists were polled, and 400-500 questionnaires were received from the mass media audience. In addition, a control group of 100 journalists was polled in Moscow. The article that follows was prepared on the basis of a study carried out by a group of sociologists headed by Vsevolod Vilchek.**

Professional Self-Perception of the Regional Journalist

In our view, the most essential features of that self-perception are revealed by the answers to the following questions.

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Do you think that the definition "the fourth power":

reflects the real role of the SMI [mass media] in our society?	Yes: 17.5 percent
is an exaggeration?	Yes: 56.5 percent
sounds like mockery?	Yes: 21.0 percent

Five percent were undecided or refused to answer.

Only a few feel that the press has actually become a power (in Voronezh and Samara, for example, 14 percent each). There are noticeable differences in the ideas expressed by newspaper and television journalists, state and independent publications, and managerial and rank-and-file employees concerning the influence exerted by the mass media.

The ideas of journalists reflect their real-life experience, plus certain stereotypes that have become established. Workers in the state mass media put a higher evaluation (or, by tradition, overestimate too strongly) their ability to influence the authority, the voters' behavior, and mores, but not the market. Incidentally, advertising is not yet recognized by journalists as a means of influencing the economy, although 7.1 percent of the viewers and readers consider the mass media to be co-participants in the schemes of "MMM," "Tibet," etc.

In the electronic mass media less hope than in the press is put on exerting a direct influence, and more is put on exerting an indirect, democratic influence — through influencing the political orientations of the voters and the moral state of society. The independent mass media, unlike the state ones, are less politicized and are more realistic in evaluating their capabilities.

On the whole, however, it seems to us that such ideas should be evaluated as alarmingly pessimistic. One can scarcely consider it to be normal if the absolute majority of journalists do not believe in the possibility of the mass media to influence the extremely essential aspects of the life of society or have doubts about it.

Another question:

When you do think the prestige of the occupation of journalist was higher? [in percentages]

Prior to perestroyka	26.5
During the first years of glasnost	42.0
Right now	14.5
Undecided	15.0

Despite all their subjectivity, these answers explain a lot. The mass media have ceased to be the "collective propagandists and organizers" that they were during the Soviet period, and with the slump in the democratic euphoria of the *perestroika* period, when the politicized state and critical zeal brought success, they proved to be in definite conflict with society. A considerable segment of society apparently lost faith in the values and ideas that brought success to the "*perestroika*" press, and therefore what remains for the journalists is either to choose an easy, but very dubious path to success — to become the expressers of social dissatisfaction, while simultaneously retaining their democratic image — or to rethink radically the very idea of the influence exerted by the press. For example, influencing the voter does not necessarily mean forcing him to vote for a specific candidate, rather than an other one, but it necessarily means helping the voter to make a truly free and well thought-out choice. The changes in recent years also had an effect on the journalists' ideas concerning the meaning of their profession and their role in society.

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Which idea or ideas concerning the profession of journalist are closer to you? (in percentages)

A journalist is a political figure who achieves the assigned goal by exerting influence on public awareness	7.0
A journalist is a plenipotentiary of society who has been called upon to monitor the activity of the authorities and to strive for the triumph of justice	19.5
A journalist is an objective observer and analyst who is obligated, insofar as possible, to stand "above the skirmish"	55.0
A journalist is a producer of the commodity that is called "information": his main purpose is to make a commodity for which there is a demand	29.0
A journalist is an artist: his goal is self-expression	21.5

In principle, all the listed journalistic "roles" have the right to existence, and the crux of the matter lies only in their correlation. We do not have any comparable polls from the 1970's-1980's (there were none), but, knowing the traditions of the country where, since the time of Pushkin, journalists have been an "estate of state people," and by comparing the answers given by associates in the older and younger generations, one can assume that the radical depoliticization of the professional self-perception of journalists occurred very rapidly. Probably its current state (with the exception of the last line, which, it seems to us, is a very specifically Russian tradition that is typical of our culture) outwardly differs very little from the Western models. However, the fact is that the democratic directedness of professional self-awareness in our country is not natural, but is profoundly dramatic. It also includes within itself our disappointment, helplessness, and pessimism bordering on apathy and cynicism. The task lies in striving for a situation in which the sobriety that arrives involuntarily in evaluating the role of the mass media is perceived by journalists as a normal situation that has its own laws, capabilities, and advantages, rather than as a bad hangover.

For the time being, we are observing a striking duality: the majority no longer views itself as "propagandists and organizers," but is oriented toward that result in their activity that is more typical of the mass media in a definitely not democratic society.

The result of this collision: only 36.5 percent of the journalists consider their activity to be successful, and that "temperature" can scarcely be considered normal for one's professional self-perception.

What Russian Journalists Are Free Of and Not Free Of

The following question may be an indicator of the state of this problem:

Were any of your materials ever taken off the printed page (the air) under the pressure of non-editorial circumstances? (in percentages)

	1992	1993	1994
Yes, they were	17.5	12.5	11.0

The data attests: indirect political or other censorship still exists in the country, although, judging from the figures, it is weakening. However, we might note that the ideas of freedom and lack of freedom are extremely subjective; the weakening of censorship pressure can also be explained by the fact that the journalist has adapted to the circumstances and has accepted the "rules of the game." As well as by the fact that he simply does not have any materials or ideas that represent any danger for anyone.

But the first attempt to analyze the cited data (computation of the distribution of the replies depending upon the work longevity in the mass media) forces one to think carefully.

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Were any of your materials ever taken off...? [in percentages]

Longevity	1992	1993	1994
less than 5 years	12.0	10.0	10.5
5-10 years	21.5	18.5	12.5
10-20 years	26.0	16.5	12.5
more than 5 years	16.5	9.5	9.5

It turns out that the segment of the journalistic corps that proved to be in conflict with the circumstances most frequently was the most active segment: the journalists who were already compliant suffered less. By 1994 that kind of contrast between the generations proved to be of almost an order less. But why? Had the leadership learned to react not so nervously to the statements made in the press, or did the leadership simply disregard the press? Or had "the steep mountains worn out the old gray mare"? Apparently both situations. Therefore the figures that seemingly attest to a weakening of the censorship oppression are not yet reason for tranquility.

Analyze the next table. Approximately every second journalist subjects his materials to political self-censorship (which is natural and, within definite limits, reasonable), but every fourth or third one is also forced to take into consideration an external censor, the image of whom he keeps in mind as he is working on the material.

What have you been forced to take into consideration when preparing your items for publication? [in percentages]

	Longevity, years			
	less than 5	5-10	10-20	more than 20
political desirability	44.0	48.0	49.0	52.0
the position of the editor in chief	40.5	37.0	26.5	21.5
the interests of the founder	36.5	38.0	25.0	16.5
the interests of the local authorities	28.0	28.5	24.5	18.0
the interests of the advertiser, sponsor	41.0	30.0	25.0	16.0

Young journalists are more inclined to take into consideration the interests of the advertiser or sponsor. But it is necessary to keep in mind that the percentage of young journalists is higher in the nonstate, commercial mass media. It is also obvious that, for the young journalists, political desirability has been considerably embodied in the position of the editor in chief, but not for the old journalists: the positions of the editor in chief, founder, or local authorities have been pushed aside by their own ideas about what is proper, and that creates a subjective, extremely illusory sensation of independence, or of lesser dependence. Lack of freedom — the dependence of the regional journalists — is the consequence of a large number of objective factors: the lack or small number of alternative publications; the situation in the labor market; everyday problems; etc. But, despite all the circumstances, freedom is an indicator of professionalism, of fame, skill, and talent, that is, the journalist's professional value.

With the passage of time, the definitions "local" or "regional" must become an indicator of the seriousness of the journalist's knowledge of life, rather than a definition of his creative scale. Since Moscow has almost ceased to remove the creative blood from the regions, talented people less and less frequently consider a transfer to the capital to be a pledge of their professional self-realization. But, for the time being, it is considerably easier for the journalist to breathe there, and it is still too early to speak about the fact that his regional associates have no fewer opportunities to be guided only by their own ideas concerning the desirability of the materials.

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Here is another test (hypothetical problem situation) that characterizes the "internal ethical code" of the profession, the ideas of workers in the mass media concerning the limits of their responsibility and freedom.

If an item of yours could possibly violate public stability, would you prefer to...? [in percentages]

	Refrain from publishing it	Publish it	Hard to say
Longevity less than 5 years	29.5	40.0	30.5
5-10 years	35.5	33.0	31.5
10-20 years	49.0	28.0	23.0
More than 20 years	50.5	15.0	34.5
Managers	44.0	28.0	28.0
Others	40.0	32.0	28.0

If an item of yours could possibly harm a political movement that is gaining sympathy, would you prefer to...? [in percentages]

	Refrain from publishing it	Publish it	Hard to say
Longevity of less than 5 years	18.5	46.0	35.5
5-10 years	19.0	42.0	39.0
10-20 years	24.0	37.0	39.0
More than 20 years	27.0	24.0	49.0
Managers	22.0	36.5	41.5
Others	21.5	40.0	38.5

As we can see, the category that proves to be the dominant one is "longevity" (tradition, age), but this is not the key to the problem; it is only another proof of its acuity.

You are the only person possessing sensational material. But the publishing of that material, regardless of the commentary that accompanies it, might: (a) violate public stability, (b) cause harm to a political movement with which you sympathize; (c) ricochet, wounding decent, innocent people. What do you think would be the correct action to take? [in percentages]

	In situation		
	A	B	C
Refrain from publishing it	39.0	21.5	57.0
Publish it	30.5	38.5	9.5
Hard to say	30.5	40.0	33.5

(The regional differences in the answers are substantial. For example, in Nizhniy Novgorod 46 percent do not agree to destabilizing the situation, and 25 percent agree;

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the situation is similar in Rostov and in the control group in Moscow. The journalists are most frequently ready to take a critical attitude toward their political movement in Yekaterinburg, Voronezh, Novosibirsk, and Samara. Similar statements were made by Muscovites. For some reason, the journalists are more frequently inclined to disregard "a child's tears" if it is "for the good of the common cause" — 7.5 percent in Voronezh, and least frequently in Moscow, 2 percent.)

We shall not attempt to judge how "normal" these ideas of the journalists concerning the limits of their professional freedom are. It is important for us only to record the lack of any generally accepted, established professional norms, and to point out a problem that definitely deserves attention.

Why Things Are Bad for Us

Almost two-thirds of the regional journalists do not consider their activity to be successful. It would seem that this attests to their demandingness about themselves, and about the rather high level of claims and the seriousness of the professional criteria. Unfortunately, that hypothesis is justified only to a small degree.

If you do not consider your activity to be successful, what is hindering you? What is the reason for your dissatisfaction? (List of answers in decreasing frequency) [in percentages]	
1. Boring routine work	34.0
2. Material, everyday problems	28.0
3. Lack of necessary equipment or apparatus	24.0
4. Not enough professional knowledge	14.5
5. I have political views that differ from those of the leadership	11.0
6. Access to sources of information is difficult	10.0
7. I have differences of opinion with the leadership concerning the criteria for evaluating the merits of the materials	9.5
8. Poor relationships in the collective	7.5
9. Oppressive overall situation in the region	7.0
10. I cannot accept our time; it is not mine	4.5
11. Journalism is possibly not my calling	3.0
12. Things are crowded; it is difficult to get my materials printed or on the air	2.0
13. I think that I simply have been unlucky	1.5

The most acute problem ("boring routine work") is obviously testimony to unskillful organization of the work to be done. What is typical is the link between the frequency of the complaints about the boring routine work and the almost complete lack of complaints that it is crowded on the pages of the press or on the air: the volume of publications has surpassed the regions' creative potential. A substantial group of problems pertains to the psychological situation in the creative collectives. But the most important factor lies elsewhere: only an extremely small number of the responses concerning the reasons for professional dissatisfaction pertain to the journalists' relationships with reality ("oppressive overall situation in the region," "I cannot accept our time")> Everyday difficulties or the lack of the necessary apparatus are a much more important factor in hindering creative success.

Of course it is possible to recall N. Korzhavin's verses: "Time? Time is given. It is not subject to discussion. The person who is subject to discussion is you, who have taken your place in it." And it would seem that one can only rejoice at the fact that journalists are not too inclined to put the blame on time. However, one does not rejoice. The fact of the matter is that, as we can see, most journalists sense acute dissatisfaction with what is occurring in society, in the country, in the state (not 5 percent plus 4.5 percent, as in the table cited, but the majority). It is the resolution of this conflict in creativity, that is, active participation in life, that ideally

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ought to feed the sense of being professionally realized, if, of course, you do not have your mouth squeezed shut. But if the journalist's mouth, as one can judge from the answers, is being squeezed shut not strongly, then the one who ought to be accused of causing one's lack of success is primarily oneself. One ought to berate oneself for the lack of creative activity, or the lack of interest in life, and only then should one complain about the boring routine work, the shortage of equipment, or other external circumstances.

Of course (and I hope that the ex-classic author will forgive us for taking the liberty of quoting), it is impossible to live in a society that is infected with apathy and cynicism, or to be free of its diseases. Nevertheless, creativity is a special sphere, that is nurtured by the spirit of contradiction. It is a calamity if that spirit dries up. It must be supported and cultivated. And that is primarily the duty of the creative union, but today its activity is observed:

— in protecting journalists' rights — 11.5 percent;

— in resolving internal conflicts in the mass media — 11.5 percent;

— in creative communication and training — 19.5 percent (here the journalistic organization of Nizhniy Novgorod shared its popularity with others, with the efforts of the Nizhniy Novgorod organization in this regard being noted by almost 45 percent of the persons polled in the region);

— in finding jobs for journalists — 6 percent.

Wherein do you see your publication's shortcomings and its problems?: (1) "The problem exists, but it is not very acute"; (2) "The problem is serious"; (3) "The problem is very acute".) [in percentages]

	1	2	3
Information is meager and incomplete	13.5	40.5	25.0
There is a lack of depth in analysis	8.5	35.0	41.0
The subject-matter spectrum is scanty	13.5	38.5	26.0
The design is out of date	16.0	28.5	29.0
The freedom of judgments is limited	27.5	27.0	13.5
There is no feedback from the audience	13.5	38.0	26.0
There is too much advertising	30.0	26.5	9.0

On the whole, the regional journalists are extremely critical in evaluating their publications. However, one gets the sense that some kind of very serious reason of an obviously not material-technical or even political nature is hindering that self-criticism, that dissatisfaction with oneself and the role and position of the mass media in our society, and hindering the providing of an impetus for a breakthrough to some kind of new quality.

It would seem that this reason is primarily ideological: the state of being disoriented, of being completely confused by the complexity of the problems and events; the lack of any clear view of the prospects. Subjectively it is this reason that is recognized as "the insufficient depth of analysis," that is noted as a very acute problem with rare unanimity by everyone.

The Journalists' Social Self-Perception and Political Philosophy

To a certain degree, the innermost feelings of the regional journalists, their emotional state, and their self-perception are revealed by a test that is, as it were, a sociological analogue of the psychological Rorschach test — an amorphous ink blot in which everyone sees something that is his own.

We asked: "Which words in the following list would you need most of all to express your impressions about what is occurring in your life, the content of your thoughts

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and emotions?" The respondents were asked to choose no more than seven words from the 24 words given.

The following is the "glossary" and the "demand" indicators. (The left and right columns are antinomic, but are not necessarily represented as antonym-concepts.)

Confidence	11.0	Fear	15.5
Cheerfulness	7.0	Fatigue	47.0
Enthusiasm	29.5	Indifference	19.5
Satisfaction	6.5	Disappointment	31.5
Happiness	4.5	Despair	9.5
Hope	53.0	Anxiety	60.0
Kind-heartedness	12.0	Malice	11.5
Honesty	16.0	Falsehood	17.0
Well-being	4.5	Poverty	19.5
Freedom	20.0	Cynicism	22.0
Rebirth	19.0	Insanity	8.5
Pride	7.5	Humiliation	20.0
Total:	190.5	Total:	281.5

The interregional differences are very strong. For example, in Voronezh the correlation between the left and the right column is 118 : 294 (difference of 176), and in Nizhniy Novgorod, 181 : 256 (difference of 75). The spread is approximately the same in the moods of the journalists in the state and independent mass media; the latter have a noticeably brighter mental outlook, although not everywhere (an obvious exception is Arkhangelsk). The only word from the right-hand list that was more frequently claimed by the journalists in the nonstate mass media was "cynicism."

The replies to another question will help to make concrete the rather abstract picture that has been drawn and to see its real sociopolitical content.

What were the post-Soviet years like for you, from the spiritual point of view?" [in percentages]

The collapse of everything that I believed in and served	8.5
The collapse of a hated system; liberation	11.5
A time of increasingly stronger faith in reforms	28.5
A time of disappointment in reformers and reforms	46.5
Other answers	10.0

If one believes in the journalists' sincerity, then it is interesting to note that the Soviet system did not have too many zealous adherents, but also it did not have very many people who hated it, or were truly oppressed by it. Eighty percent of the journalists did not indicate in any way their attitude toward the past, but indicated in a very intelligible way their attitude toward the present: in essence, the journalistic corps is, for the most part, the democratic opposition to the existing regime. The following tables illustrate: the chiefly democratic orientations of the Russian regional journalistic corps; the attitudes toward various events and phenomena that determine today's state of society and the processes occurring in it; the evaluations of the rate and prospects

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of the reforms — in a word, the existing frames of mind manifest themselves rather completely. All of this requires detailed commentary, but for the time being we shall cite our data only as food for thought for future discussions, by offering several hypotheses.

How do you evaluate the changes that have occurred in recent years in various spheres of life? [in percentages]

	As changes for the better	As changes for the worse	Hard to say
Collapse of the USSR	20.5	31.5	44.0
Liberation of prices	35.0	24.5	34.0
Elimination of the Soviet system	58.5	9.5	24.5
Situation in the area of human rights	30.5	24.0	39.0
Situation in the mass media	41.5	17.5	33.5
Conversion of the defense industry	21.5	33.5	36.5
Sovereignization of the national republics of the Russian Federation	20.5	32.0	39.5
Intensification of the role of the church	47.0	10.5	34.5
Appearance of a segment of "new Russians"	19.5	24.5	47.5
Revival of the Cossack class	23.0	21.5	46.5
Appearance of paid medicine and education	24.5	29.5	39.0
The "dollarization" of the economy	12.0>	43.0	38.0

The regional and age differences are extremely considerable. For example, the younger generation, for the most part, has a more positive attitude when evaluating the collapse of the USSR, the appearance of paid medicine and education, etc., up to and including the intensification of the role of the church, which is something that causes trepidation among the most mature part of the journalistic corps.

For the most part, the journalists evaluated most of the key changes in recent years positively, or not categorically negatively. But the data in the next table is all the more incomprehensible: if almost everything that was done is good, then why is the result bad? Either we did not completely understand what was occurring, or we are confused in our understanding of the present. In any case, the logical split is obvious and, without resolving that contradiction, it is difficult to be convinced about creativity.

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Which of the following opinions do you consider to be true? [in percentages]

The worst is now behind us, and the country is beginning to make its way out of the crisis	14.0
Improvements are not yet in sight, but there is hope: in principle, the path is the correct one	34.5
The reforms have gone down a blind alley; new and difficult tests lie ahead	42.0
Refused to answer	9.5

(Areas of the least optimism: Kazan, Arkhangelsk, Voronezh.)

A question that threw the respondents into practically a sense of utter confusion was a very fundamental one that was formulated as a "pseudo-expert" one, that is, a question that assumed that the answers would involuntarily have not an abstract, objective nature, but a subjective one: the expert's mask would aid fearless self-expression.

In your opinion, which of the political currents has the best prospects (is more organic, more acceptable for Russia)?

(In the first column, the answers from workers in state mass media; in the second, nonstate mass media; in the third; managerial workers; in the fourth, rank-and-file workers.)

	1	2	3	4
Communist	2.5	1.5	2.5	2.0
National Socialist	9.0	5.5	8.0	7.0
Social-Democratic	28.0	34.0	34.0	26.0
Radical Democratic	12.5	15.0	12.5	14.0

From 37 to 46 percent of the persons polled in various groups had difficulty in answering or refused to do so, and 5-6 percent mentioned other currents, most frequently the "liberal democratic" one, having in mind the "Zhirinovskiy current" (that is, National Socialist also) and monarchist.

A journalist does not have to be a politician, and in a society that has developed he can have a complete lack of interest in this subject. But in a transitional society in which politics is understood in a broad sense, everything is inseparably linked with politics — everything from the economy to interpersonal relationships — and the declared depoliticization of the journalists conceals something quite different: a profound disharmony with reality, and frequently with oneself.

The radical-democratic path of reforms that was proclaimed by the country's leadership is obviously failing to evoke the journalists' enthusiasm. Even in the large cities, which are less conservative and hopeless than the rural or remote areas, the motley-colored domestic Vendee has a considerable social base even in the journalistic environment, which seemingly ignores such indicator publications as PRAVDA, SOV. ROSSIYA, ZAVTRA, —a base that is comparable with the radical-democratic one. (Especially since we do not know the true moods of the people who declined to answer, who have gone into the questionnaire "underground." God knows how many "Parteigenosse" there are among the 37-46 percent who remained silent.)

A relative majority of the respondents feels, not without justification, that the path that is most typical of Russia is the social-democratic one, and that the more liberal path is fraught with the danger of turning the country into a comprador-colonial and Mafiosa society. But, by the malicious irony of fate, in a Russia that is spiritually social-democratic there is no serious social-democratic movement, but only vain attempts by small groups

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and unpopular leaders. Partially to blame for that are the journalists who, for too long, lapsed into starry-eyed self-deceptions, thinking that society can survive completely without ideology, and failed to notice how the rapidly forming ideological vacuum was being filled with a dangerous mixture of chauvinism, irrationalism, and nihilism.

It is not surprising that, in the situation that has developed, practically the majority of the journalists feel uncomfortable and confused: the goal is increasingly hazier, and service to the abstractions under the name of democracy does not lead to an influx of power. As a result, an extremely considerable number of journalists have been profoundly imbued by a spirit of negativism, take a very skeptical attitude when evaluating the possibilities of their influencing events, and foresee a future which, even if it is not hostile to them, is alien. It is understandable that there is no wonder-working panacea against this misfortune, but in foreseeing the next developments in our Russian fate, as a certain confused individual correctly said, it is necessary to know one's position.

Military & Space Issues

*New Conscription Law, Cost of Conscripts Viewed

95UM0426A Moscow MOSKOVSKIY KOMSOMOLETS in Russian 25 Apr 95 p 2

[Article by Aleksey Overchuk: "It Won't Be Enough and It Won't Help Anyway, Experts Believe"]

[FBIS Translated Text] That the Army has been beaten, broken, and destroyed has been clear for a long time. This year, 1.766 million young Russians became subject to military registration. In other words, as many as Grachev and speaker Shumeyko had asked for.

In reality, only 419,600 could be called up for service. As the State Duma's Defense Committee noted, this amounts to 23 percent of the conscription resources available in the country. Meanwhile, 682,000 soldiers, sergeants, sailors, and senior sergeants are awaiting demobilization. They will leave. Towards the end of the year there will be a shortfall of more than 40 percent. This amounts to about 700,000 men. Of them, the Armed Forces will have a shortfall of 400,000 soldiers. To better understand the situation, look at it this way. A tank platoon consists of three tanks. Of them, one will be up and running. And this situation will be repeated in all of Russia's units and larger units.

In the opinion of specialists, the conscription of graduates from institutes with military departments will make it possible to put shoulderboards on an additional 40,000 to 60,000 men. The shift to a two-year stint will reduce the shortfall by 422,000 men this spring and by 260,000 in the fall. If it becomes possible to acquire soldiers only for the combat units of the Armed Forces, the Border Troops, and the Interior Ministry's Internal Troops, this will provide 40,000 additional soldiers annually. It has been estimated that combined, the aforementioned proposals will make it possible to staff the Armed Forces at up to 90 percent, the Border Troops at up to 95 percent, and the Interior Ministry Internal Troops at up to 87 percent of the required manning levels. All this measures are in perfect harmony with all existing laws. So nothing needs to be changed. The officers are very happy about this, although they have doubts about the usefulness of the law.

As they see it, the conscripts will be scooped up by the same old "buyer" departments. The Ministry of Defense, the Federal Border Service, the Interior Ministry Internal Troops, the Ministry for Emergencies, the Railroad Troops, the Federal Security Service, the Detached Kremlin Regiment, the Federal Government Communications and Information Agency, the Main Protection Directorate, the Foreign Intelligence Service, and others. Each one will want soldiers. And therefore, as in times past, it will be necessary to round them up from the street corners.

During their service, the soldiers will again, for the most part, have to build apartment buildings, lay railways, tend cows and pigs, gather the Motherland's harvest from its boundless fields, and carry out other nonmilitary duties. This will not enhance combat readiness. As always, a soldier will fire three shots from an assault rifle before taking the oath, take his rifle to the swearing-in ceremony, and then forget about it. He may not even see his weapon that much.

Combat commanders (strangely enough, we still have them) have called the law extending the service term a good start. Now it would be a good idea to pass a law on sending conscripts only to units of the Defense Ministry, the Interior Ministry Internal Troops, and the Border Service. Everything else should be redone. The Main Protection Directorate, the Federal Government Communications and Information Agency, and other militarized structures should be staffed with officers. The Railroad Troops should be transferred to the Ministry of Railroads, and so on. Only then can one speak of the start of full-scale service under the contract system, in order to eventually dispense with conscription altogether.

For example, the cost of clothing, feeding, and training one conscript is 2 million rubles. Western specialists calculate that one soldier serving under contract costs the same as six soldiers doing compulsory duty. In other

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words, one professional costs 12 million rubles. Say seven million for food, uniforms and other needs, and 5 million for pay. Given that kind of money, an army of professionals could be staffed in a matter of months.

This is the practice in all countries with developed capitalism. Britain has contract service. They take people from 18 to 35 years of age. The United States has a contract system. France has a mixed system. It drafts people at the age of 18 for a 12-month stint, followed by contracts. Germany has a compulsory 18-month term and the contract. At the same time, alternative service in the West lasts twice as long, as a rule, than service in the regular forces. And people doing alternative service are assigned to relatively unpleasant work, such as working as orderlies in homes for the elderly and the like. By contrast, we look like a third-world country. Compare.

Algeria has universal compulsory military service for a two-year term. The draft age is 19 to 25. Argentina has the same, with a one-year stint (14 months for the navy). Greece has compulsory military service with a term of 28 to 32 months, and men are drafted from age 21. Pakistan has selective compulsory military service for a two-year term. In all these foreign countries, soldiers are taught one thing—to destroy the enemy. And nothing more.

Armed Forces Manpower Acquisition in Certain Countries

Country	Total strength	Manpower acquisition	Term
Italy	352,000	contract, compulsory service	12 to 18 months
Japan	270,000	contract	-
Australia	70,000	contract	-
Austria	38,000	compulsory service	6 months
Belgium	54,000	compulsory service	12 to 15 months
France	506,000	contract, compulsory service	12 months
Germany	360,000	contract, compulsory service	18 months
United States	1.719 million	contract	-

*Defense Ministry, Cabinet on Law Extending Military Service Length

95UM0426B Moscow MOSKOVSKIY KOMSOMOLETS in Russian 25 Apr 95 p 2

[Article by Vasiliy Nikanorov: "Wishes Come True: Each Inserted What He Wanted"]

[FBIS Translated Text] The incident involving the adoption of the law extending service terms is rich in telling coincidences and unexpected changes in those playing the role of chief villain.

First, it seems that there was no raping of deputies by the Chief of the General Staff Kolesnikov at the closed Duma session. The "unexpected" adoption of the law on all three readings at once had been prepared by a long and multilayered intrigue, the basis of which was laid by the deputies themselves. And so the general's speech was to a certain extent of a ritual nature and, Duma members admitted, it contained no unusual earth-shattering arguments.

About a month ago, deputies heatedly debated changes in conscription regulations, and the debate actually ended in the **adoption** (on first reading) of a version proposed by their own Defense Committee. The proposal was as follows: **This spring,** to send conscripts not to all "consumers," but only to the Defense Ministry, the Border Troops (the Federal Border Service), and the Interior Ministry Internal Troops, with the latter to receive no more than 10 percent. As a result, the committee calculated, the Defense Ministry's needs would be met at a rate of **90** percent, the Federal Border Service' requirements at **95** percent, and the Interior Ministry's needs at **87** percent.

All that would have been fine, but a piece of paper entitled "Feasibility Study" was appended to the draft law. It stated: "In the current situation, it would appear extremely necessary to consider the following urgent measures:" to conscript graduates of military departments for one year, and to extend, starting this spring, the term

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of service for other conscripts to two years (including those who are already serving).

After taking a look at these papers, the chief of the General Staff sent an answer: The Defense Ministry approves. The commander in chief also send a comment. Boris Nikolayevich wrote: "it would be possible to support the **initiative of the group of deputies to the State Duma**...as concerns eliminating the granting of exemptions." The president also added the Railroad Troops to the list of departments especially in need of conscripts, and pointed out that all other military formations **should** be staffed on a contractual basis. But perhaps the most notable part of the Russian president's letter was the following: >"at the present time, the state is not prepared for a shift to a professional army."

After that the subject of the military was put on the back burner in the State Duma for a time. Nevertheless, as Defense Committee Chairman Sergey Yushenkov observed, a great many generals of various types appeared in the Duma and visited all the offices of the faction leaders and just about every other office except that of Defense Committee.

And from somewhere there appeared the famous government draft that satisfied the deputies' cherished wishes and dumped the "primary" ones—on giving priority in manpower acquisition to the Ministry of Defense, the Federal Border Service, and the Interior Ministry. True, the ministers added to the new regulations the requirement that only sons of single elderly parents should henceforth be subject to the draft.

A session of the Council of Ministers that discussed the problem was marked by one other disclosure of national significance: The defense minister requested that all military departments be closed. What difference does it make, it seemed, if their graduates, according to the plan, would be called up anyway? Well, one difference is, for example, that officer-specialists could then come only from military schools. And that would be the end of going into the reserves straight from school. The concern for increasing the numbers of officers at a time when there would seem to be a surplus of them (given the current number of soldiers) could indicate that either a massive discharge on pension is being planned, or that a severalfold increase in the Armed Forces' strength (and not by just a few percentage points) is in the works. So much for reform.

But the biggest surprise in this incident came when the ministers sent to the Duma, as an "aide-memoire" to their draft, the text of the Duma Defense Committee's "Feasibility Study" appended to the draft law already approved by the Duma. In principle, of course, there is nothing surprising in that the Duma and government could draw totally different conclusions from one and the same text, but the "aide-memoire" does contain a curious ministerial correction: Their version calls for staffing the Armed Forces at **80 percent**, the Federal Border Service at **85 percent**, the Interior Ministry Internal Troops at **75 percent**, and the Railroad Troops (!) at **70 percent**. And it's not enough that these figures are worse than those in the Duma version; the ministers were also convinced that their proposal would help avoid an "exacerbation of the sociopolitical situation in the country"—apparently by expanding the Railroad Troops. But that is doubtful, because there is little hope for a country in which either one of the highest governmental authorities is lightheartedly losing something like one-tenth of the Armed Forces' manpower, or the government is supplying lawmakers with disinformation on some of the most important matters of state.

One can only hope that the Duma members joined to vote in favor of the ministerial draft because the chief of staff explained at least to them exactly who the Russian Federation plans to go to war with. Since Pavel Grachev indicated that in the current stage, enemies of Russia have even appeared within the country, it would be nice to know exactly how the government plans to motivate Russian Federation citizens to put up large-scale armed resistance. And most importantly, if the defense minister intends to wage war, say, with Tatarstan, why can't this be done with a reformed table of organization (the "brigade-corps" system)? Simply because it would not require putting half of the male population under arms?

In conclusion, it can be said that as always, the Duma could not manage without a small amount of cheating. Taking advantage of some magnetic voting cards left on the desks, the enthusiasts of conscription, without the knowledge or permission of the cards' owners, picked up another five votes in favor from Russia's Choice—the result of some sleight of hand. Nevertheless, the people should know their heroes.

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April 8, 1995: Voting on the Compulsory Military Service Law (the Council of Ministers' draft) on April 7, 1995, in Russian State Duma Factions and Groups

Faction (group)	Votes in favor	Total members of faction	Percentage of members
Democratic Party of Russia	0	9	0
Apple	0	27	0
Women of Russia	1	22	4
Russia's Choice	3	55	5
December 12	3	13	23
Outside factions	6	18	33
Party of Russian Unity and Accord	9	22	40
Russia	15	35	42
New Regional Policy	25	39	64
Stability	29	36	80
Russia's Way	9	11	81
Agrarian Party of Russia	44	52	84
Russian Communist Party	43	46	93
Liberal Democratic Party of Russia	52	55	95
Great Power	6	6	100

All Duma deputies to a man from the following regions voted to extend service terms and to abolish exemptions: **Adygea, Buryatia, Altay, Dagestan, Ingushetia, Kabardino-Balkaria, Kolmykia, Karachayevo-Cherkesia, Mordovia, North Ossetia, Khabarovsk Kray, Komi, Evenkia and regions inhabited by Koryaks, and from the following oblasts: Amur, Bryansk, Volodga, Kirov, Kostroma, Kursk, Lipetsk, Magadan, Novgorod, Orel, Pskov, Ryazan, Smolensk, Tambov, Tver, Chita.**

Regional Affairs

Samashki Massacre in Chechnya 'Genocide'

954F2219A Moscow MOSCOW NEWS in English 21-27 Apr 95 No 15, pp 1-2

[Article by Dmitry Balburov: "Samashki Massacre Shows Grim Reality of War"; first paragraph is introductory paragraph]

[FBIS Transcribed Text] The true scale of the tragedy that struck the Chechen settlement of Samashki on April 12 will be revealed at a later date, but even now it is clear that it can be equated with Lidice, Khatyn and Son My.

Right from the outbreak of the war in Chechnya, Samashki was like a burr in the side of the Russian command.

Chronicle of the Tragedy

The settlement is located ten kilometers from the tentative Chechen-Ingush border and is intersected by the Rostov-Baku thoroughfare and a railway. The triumphal march of the federal troops was stopped short immediately after its start. Samashki residents categorically refused to let the Russian armored columns pass through their settlement. The troops then outflanked it from the north and imposed a semi-blockade, leaving only one road as an escape route, leading southward to Achkhoi-Martan, a district center.

Throughout the past winter the Russian command had neither the time nor the means to deal with Samashki, since heavy fighting was raging in and around Grozny. However, spring arrived and the militant detachments who were expelled from the Chechen capital began fre-

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quently visiting the settlement and harassing the Russian posts. The generals, therefore, decided to put an end to that situation. Throughout March the military issued several ultimatums, ordering the residents to surrender their arms. Meanwhile, Lecha Abdulkhadzhiyev, the local administration head, was alternately visiting the army headquarters and the local Chechen field commanders in an attempt to come to terms with the two contending sides.

Toward April 6 the tensions around the settlement had climaxed: a group led by Shamil Basayev approached from the south, while the federal command transferred its composite detachment to the area. The detachment consisted of OMON riot police, internal troops and approximately 100 artillery weapons. The federal command then presented its final ultimatum, whereby the settlement was to be abandoned by all militants, while the villagers were to surrender 264 submachine-guns, 3 machine-guns and two armored personnel carriers. The Council of Elders decided to meet these terms and conditions. A decision was made to keep Basayev out of the settlement, and approximately 70 of the local volunteers were already moving in the direction of the Sunzhen range. Only four armed persons were in Samashki on that day.

The elders were fired at on their way back from negotiations. This provided the grounds for a report that the elders had been shot dead by Dudayev thugs. One elderly man was wounded in his arm, and a bullet hit a car wheel. According to some eye-witnesses, the shooting came from a nearby Russian post, while others said it had come from a slope of the Sunzhen Range. In any case Samashki received a death sentence.

The ultimatum deadline was to have expired by 9 a.m. on the morning of April 7. However, in the early hours of April 7, someone fired on the Russian unit. According to the "principle" proclaimed by Defense Minister Pavel Grachev: "We shall respond to every Chechen shot with thousands of our own." Artillery fire was targeted at the defenseless village, and an air strike was delivered at 5 a.m. The fire was mainly directed at the outskirts and the nearby forest, but it was enough to create panic among the local residents. On the morning of April 7, approximately, 300 Samashki residents abandoned the village and at 10 a.m. negotiations resumed. However, they were to no avail because the residents could not surrender the required weaponry. At 2 p.m. General Lityakov, commander of the "West" grouping, repeated the ultimatum, and toward evening Russian units entered the village. There was no assault. The federal troops lost 14 servicemen and four armored vehicles.

The clean-up operation lasted four days, at which time neither the press nor Red Cross representatives were let into the settlement. Fortunately, the post between Samashki and Sernovodsk was manned by a unit that did not participate in the assault, and so its soldiers did little to prevent the villagers from escaping from the slaughter.

211 Graves

The events in Samashki during those days can only be defined as genocide. On April 8 alone hundreds of Chechens were killed in Samashki.

The outrage began immediately after the troops entered the village. The situation was aggravated by several mines, which had been planted in the winter by militants. A couple of tanks struck them and were blown up. Innocent people were subjected to savage treatment: soldiers and special militia units wearing masks and backed by armored personnel carriers would shoot at every step. Suspicious houses were first pelted with grenades and then finished off with Shmel flame-throwers. Yanist Bisultanova, a local resident, witnessed the murder of an old man who was begging for mercy and pointing at his medal ribbons. Ruslan V.'s father-in-law, aged 90, who took part in the Soviet Army's liberation of Bucharest and Sofia, was also killed during the assault. Said Murtadaliyev, who lived by the railway station said that he had seen a man who had been burned to death; only his skull and the cervical part of the spinal column remained intact. Ibragim's neighbor D. lost his entire family and moved to Vedeno, where it is rumored that it was possible to join the Chechen home-guard detachments. Aizan R. was hiding with her family in a basement whose walls were divided by ferroconcrete. This saved the lives of the family members. A grenade tossed in by a soldier exploded in the front segment. One of her relatives, a little boy, was burned alive.

Locals say that military units also entered Samashki. The northern part of the settlement adjoining the railway station was left standing, for the most part. Another part known as Samashki-2, particularly its three streets, Rabochaya, Proletarskaya and Lenin, sustained incomparably more damage. Six houses were completely burned on Stepnaya Street; only their foundation stones remained. Said Murtazaliyev says [sic]: "The soldiers that were on our Gornaya and Vokzalnaya streets were obviously ashamed of what had happened to Samashki-2."

During the clean-up operation, 40 villagers fled to the forest and tried to sit it out there. Yet, they were spotted and mistaken for militants, although many women and children were among them. Almost all of them were killed by automatic fire.

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According to information on April 16 alone, 211 graves were dug in the Samashki cemetery, and their number has been growing since then. Many former residents of Samashki are buried in other villages.

Sernovodsk — the Next Target

The survivor villagers gather daily on the outskirts of Sernovodsk, which is Ingush territory, although the local population consists mostly of Chechens. Men are afraid to return home. They also do not risk revealing their names to journalists because they might find themselves in the Mozdok filtration center. "If only we could have weapons"... They clench their fists and repeat these words like an incantation. Samashki residents cannot forgive themselves for having trusted the words of Russian generals and for having surrendered their weapons. "It is outrageous: to promise that everything would be perfectly all right and then... How can one live after such things?" says Ruslan V.

It is rumored among refugees that the troops are now planning to attack neighboring Sernovodsk. The generals have already stated that militants are concentrating there. *MN* has received indirect confirmation of the Russian command plans in this regard. A border-guard at the post between Sernovodsk and the Ingush village of Sleptsovsk said that an OMON unit will soon replace his units. Initially Samashki was also surrounded by an iron curtain. Border-guard patrols are not fit for this sort of duty.

The Specter of Jihad

The news of the Samashki tragedy has spread all across Chechnya and Ingushetia. Even in Mozdok a Russian officer asked: "Is it true that ours have gone on a rampage in Samashki?" In Nazran, Goragorsk and Dolinsk local residents asked the same question: "Have you heard about Samashki?"

It is becoming public knowledge that Umar Avturkhanov, chairman of the Provisional Council, has played a sinister role in the Samashki incident.

Last autumn Avturkhanov's emissaries came to the settlement to recruit supporters. They also brought a supply of weapons. A list of potential buyers was drawn up. Later, Avturkhanov passed it to General Antonov. It led to the following figures — 264 submachine-guns, 3 machine-guns and 2 armored personnel carriers, which the Russian military demanded from Samashki residents. Those weapons must have changed hands somewhere in Chechnya a long time ago, and the Samashki residents could not surrender them. Therefore, naturally, the terms of the ultimatum could not have been complied within their entirety.

The pacification of Samashki has played into the hands of President Dzhokhar Dudayev and his associates, who are intent on igniting anti-Russian sentiments. Recently the Chechen president spoke on underground television and expressed his confidence that the Chechens would forever learn the lessons of Samashki. This is undoubtedly so. Before such a tragedy Dudayev and his men could not declare a real jihad in the absence of any religious persecution. However, the blockade of the settlement, which lasted four days and made it impossible to bury the dead according to the Moslem customs, can well be interpreted as an outrage committed against religious feelings and the people's traditions. The jihad can turn from a threatening spector into a grim reality.

***Locals Polled Favor Yeltsin's Resignation**

954F2201A St. Petersburg SMENA in Russian 28 Apr 95 p 3

[Commentary by Sergey Isayev, based on the materials of the citywide representative telephone poll of 1,170 adults in St. Petersburg, conducted by the SNITs research company, under the rubric "Barometer": "St. Petersburg Residents Are Unhappy With the Authorities"]

[FBIS Translated Text] The April poll of St. Petersburg voters turned out the least encouraging for Boris Yeltsin. Over the entire time Yeltsin had been president, the number of those supporting his resignation had never topped the number of those opposing it. In April, this line was crossed.

In all probability, Boris Yeltsin's position on the methods of resolving the Chechen problem contributed to the decline of the president's popularity among our city's inhabitants. While before the beginning of the military operations in Chechnya, only 26 percent of the adult population supported holding early presidential elections, in the beginning of this year this group comprised 38 percent. While last December only 17 percent of St. Petersburg placed most of the blame for the Chechen tragedy on Yeltsin, after two months of war it was already 25 percent.

Another interesting indicator of the changed situation is that currently more voters support the resignation of the president than that of the government. Never before has there been such a correlation of ratings. This may indicate that the voters place increasing blame for what is happening in the country on the president himself rather than his team. It looks as if it is time for Boris Yeltsin to change his own position instead of reshuffling the government.

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1. The Rating of Confidence in the President Has Never Fallen So Low

Your opinion: In the current circumstances, should Boris Yeltsin resign? (in percents)	
Yes	46
No	31
No opinion	23

The dynamics of measurements by this indicator over the past four years is as follows (the total of responses is less than 100 percent by the share of those with no opinion).

Attitude toward the president	June 1992	September 1993	December 1994	April 1995
For Yeltsin's resignation	26	35	36	46
Against Yeltsin's resignation	5[number illegible]	44	38	31

2. A Relative Majority Supports Chernomyrdin's Resignation

In your opinion, in the current circumstances, should the Government of Russia resign? (in percents)	
Yes	40
No	33
No opinion	27

The dynamics of measurements by this indicator over the past three years is as follows (the total of responses is less than 100 percent by the share of those with no opinion).

Attitude toward the Russian Government	February 1993	October 1994	February 1995	April 1995
For the government's resignation	30	35	49	40
Against the government's resignation	49	41	26	33

***Duma Member Interviewed on Russian Territorial Integrity**

954Q0173A Moscow KRASNAYA ZVEZDA in Russian 27 Apr 95 p 3

[Interview with Duma member G. Melkov by KRASNAYA ZVEZDA correspondent V. Markushin; place and date not given: "Back to the Guberniya? Maybe."]

[FBIS Translated Text] **The national security of any state has always been directly connected with domestic stability and cohesiveness. In the case of multinational Russia that is particularly so. Unfortunately the overall situation in the country, which developed in recent years, did very little to promote our integrity. Economic decline promoted centrifugal aspirations, and political separatism was supplemented with trade and economic separatism. How is it possible to break this dangerous trend while preserving the integrity of the country and thereby ensuring its security? That was the topic discussed by KRASNAYA ZVEZDA correspondent with Doctor of Juridical Sciences Gennadiy Melkov, consultant of the Committee on Geopolitics of the State Duma.**

[Markushin] Gennadiy Mikhaylovich, you have probably had occasion to ponder a phenomenon such as this: a mass of millions of people, settled on a huge terri-

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tory, who have become thoroughly assimilated and have gone through a long phase in forming a unique way of life, suddenly all started talking about such concepts as statehood, common national interests, territorial integrity, sovereignty, and the civil world.

[Melkov] You touched on material to which I have been devoting considerable thought not "suddenly" but over many years. What you are talking about, however, really can be called a social phenomenon. Life has forced us to consciously consider these concepts. Russia entered a very complex period of development, and the protection of its geopolitical interests—the defense of that which was created, expanded, and occupied over many generations of Russians—has come to the forefront. The problem concerning preserving the unity of the Russian Federation as an independent multinational state as well as its territorial integrity has been manifested in all of its variety and intensity. The threat of disintegration is real and serious inasmuch as the centrifugal forces are being nurtured by economic chaos and thoughtless policy of the government and by actions of random, incompetent individuals in the president's entourage. Considerable political will and wisdom are required to break that tendency.

[Markushin] The historical expansion of Russian statehood—if one is to go into detail—did not encounter any particular resistance by those whom it was consuming. "Russia is the prison of nations." That is a propaganda thesis rather than reality. Then separatism suddenly appeared as if out of nowhere. Even those nations included themselves in that movement which, one might say, had never before struggled for independence and to which statehood was granted in Soviet times, in essence, to their own amazement. You will ask, where did that moving separatist force come from? There is the impression that it was simply provoked.

[Melkov] In general we became hostages of the national policy of the entire Soviet period, starting with the Bolsheviks. It is specifically that policy which created premises for current separatist manifestations. For instance, guberniyas were eliminated. At the same time these were stable supports of a unitarian state with a multinational population. Sooner or later we will be returning to them. There will be no infringement of the rights of non-Russian nationalities. We will, however, be able to eliminate such a pathological Russian phenomenon as "nominal" nationalities.

[Markushin] Do you have in mind the exclusive privilege of representatives of the national majority to occupy key posts?

[Melkov] Yes. I have in mind that privilege, which is sometimes not substantiated with common sense criteria. For instance, the distortion of the natural evolutionary line toward civil rapprochement between all Russian nations established in 1917 was subsequently aggravated further. That included years of perestroyka when reactions to events in Nagorno Karabakh, Sumgait, and other places were akin to those of Bolsheviks, without any profound analysis of what has taken place. As it has always been in our case the opinion of scientists-specialists was never sought. As a result the destruction of established norms was under way coupled with the development of legal nihilism. Most unfortunately some very contradictory and even populist establishments were initiated to suit the political circumstances. It is sufficient to recall the appeal to "take as much independence as it is possible to digest."

[Markushin] It seems that some want to "digest" in excessively large lumps. For example, some are striving to trade in oil, gas, fish—that which belongs not to some individual nation but to all of Russia. Subjects of the federation are attempting to talk with Moscow on equal terms and conclude international agreements with the central government. In Yakutia, for instance, plans are being made to sign "a big agreement" with Moscow.

[Melkov] Appetite comes while eating. Certain representatives of local power began behaving like sovereign potentates. They are negating the edict of the president of Russia of 5 May 1992 about protection of natural resources, territorial waters, the continental shelf, and the economic zone of the Russian Federation and even challenging the Constitution itself, the 71st Article of which confers the authority on the Russian Federation to determine the status and provide protection of state boundaries, territorial sea, air space, exclusive economic zones, and the continental shelf.

The aspiration of the leadership in Yakutia to establish "special" relations within Russia, extending beyond the framework of the Constitution of the Russian Federation, evokes nothing but amazement. How else is it possible to evaluate the attempt made last summer to conclude an international agreement between Yakutia and Russia on applying the sovereignty of Yakutia to the Northern Maritime Passage passing near the shores of Yakutia?

Actually though, it did not start with Yakutia; there were Tatarstan, the Bashkiria precedent, and other examples to imitate. If central power, however, was not on the leash of the local leaders and did not engage in granting sovereignty but instead would be inflexible regarding state integrity, much of the unpleasantness could have been avoided.

[Markushin] By the way, about those examples to imitate. There are countries where a very clear picture exists

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concerning the distribution of powers between the center and the regions. Let us look at Germany, for instance. Questions connected with exploiting natural resources, redistributing federal property, and any territorial adjustments are the prerogative of the center and only the center. Land authorities, as subjects of the federation, are likewise not granted ruling authority, yet they do independently resolve numerous problems dealing with the economy, public health, and culture. Will we be able to achieve such clarity at some time?

[Melkov] Germany is a country which is inhabited predominantly by Germans, even though in the not too distant past they were also not a homogeneous national family and they spoke in dialects that were not commonly understood among them. No matter what used to be, Germany became an exemplary federal state, if it is possible to put it that way, not only by virtue of its national homogeneity. Much was done before then by the people living there. They were able to find a wise compromise between the regions and the center in the country with the advantage going to the latter. I have already noted that Russia had rather good premises for a similar model—the guberniya division. We have rolled back somewhat. We are, however, capable of surmounting the difficult and distant path toward a perfect federation, of course, if we act wisely.

[Markushin] Gennadiy Mikhaylovich, let us briefly go back to the question concerning territorial integrity. What should first of all be done for its consolidation?

[Melkov] In my opinion the most sensitive aspect of that problem is Russian legislation. It is specifically now that the question concerning the decisive strengthening of federal authority is being posed in the most acute fashion. Ensuring territorial integrity of Russia by all available political, economic, judicial, and other means is an issue. If we are speaking of separatist encroachments aimed at the disintegration or liquidation of the Russian Federation, all available military means must then be used. In cases not allowing for delays the president of Russia, I believe, must personally initiate decisive preventative measures to defend or restore territorial integrity of the state subsequently reporting to the Federal Assembly in the course of, for example, one month.

[Markushin] It thus seems that the question consists of further concentration of power in the hands of the president. Is that so?

[Melkov] Exactly so. Inasmuch as there are clear attempts on hand to diminish it, to create a counterweight to federal power, with the president as the only guarantor of Russian statehood and integrity.

[Markushin] For instance?

[Melkov] Just take a look. The Federation Council, which, as commonly known, defends the interests of the subjects of the Federation, is today attempting to amend the Constitution in order to play the same role as the president himself with regard to the question concerning use of armed forces on the territory of Russia. Actually the matter is being brought to the point of paralyzing actions by the commander in chief in cases where a situation similar to the Chechen mutiny occurs on the territory of some subject of the Federation.

Can you imagine someone trying to deprive the President of the United States of his power to interdict any, even the smallest, attempt by some American state to withdraw from the United States such as that made at Groznyy? Subsequently, after matters with the separatists are settled, the White House resident would report to Congress on his actions as stipulated by law after no more than 90 days, but that would be "later." This constitutes the control exercised by American legislators over actions of executive power.

[Markushin] Nevertheless your colleagues cast great doubts on the feasibility of using our army in Chechnya.

[Melkov] That is a different question. I also have serious doubts about what had been done over there for the most part. I believe it would have been better to dig a deep ditch around Chechnya, taking it under full control. At any rate it would have cost less. I am not even saying anything about the human losses. I repeat that the issue involves fundamental powers of the president and the Federation Council. The planned constitutional amendment will open up "a legal" path toward accelerating centrifugal processes. It will push us toward total lawlessness in which it will no longer be possible to "revive" individual subjects of the Federation even with the help of the army.

*Nemtsov on Creation of Territorial Production Zones

95P50107A Moscow ROSSIYSKIYE VESTI in Russia 21 Apr 95 p 3

[Article by ROSSIYSKIYE VESTI correspondent Valeriy Orlov: "The Plant Became a 'Free' Zone"]

[FBIS Translated Text] A fundamentally new economic form has been born and is being tested on the territory of Nizhegorod Oblast. Based on the industry of the defense sector here they have created a territorial production zone of open-type joint stock societies—the G.I. Petrovskiy plant, the Sormovskiy "Lazur" plant and the "Salyut" NPP [scientific-production enterprise]. Oblast governor Boris Nemtsov comments on this event.

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The creation of territorial production zones on the basis of these former defense plants is a part of the conversion program, or more precisely, the survival of Nizhegorod Oblast's military-industrial complex. Up to now the so_called conversion fund has been in existence for several years.

The new stage at this time has no analog in the country. Its primary goal is to preserve the technological and intellectual potential of the enterprises. The second goal is to create new work places, or at least not to lose the existing ones. And the third goal is to continue the development of high-tech industry on the basis of these enterprises.

Life in the city is not simple. They are constantly delaying wage payments at tens of plants. Thus it turns our that there are more than 40,000 people without means of existence. And the majority of them work in the VPK [military-industrial complex]. That is namely why the creation of territorial-industrial zones began at the defense enterprises.

How is this idea carried out in practice? According to a decision of the RF government, all the enterprises on the territory of the three transferred plants are freed from paying federal taxes for five years. The legislative assembly of Nizhegorod Oblast and the city Duma freed them from local taxes. And finally, the Russian customs committee adopted a decision to put into practice a so-called customs free warehouse regime. Thus, equipment, manufactured parts and documents arriving on the territory of these warehouses from abroad (if, of course, they are used for production purposes and not for resale) are not subject to any import duties or value-added taxes. In other words, at the largest Nizhegorod enterprises, the G.I. Petrovskiy plant, the Sormovskiy "Lazur" plant and the "Salyut" NPP, unique off-shore zones are being created.

In fact, we are trying to work out a new model of privatization. As you know, up to now the idea of breaking up enterprises had a basically surgical character. Efficient production was singled out so that nothing would hinder its further growth while inefficient ones were allowed to die. But thousands of people work at these...

We are relying on outside potential, which will come to these tax-free zones and create the most advantageous production for today. All areas on these territories will be leased and a priviliged regime for buying property will be established in those cases where the conditions for competition are fulfilled. For example, you promise to build a plant here for assembling automobiles. You bring in equipment, you start to produce automobiles. Everything is in order: You pay the workers, you create new work places, you pay rent. And after five years these premises become your property - for the residual cost.

But if your management results only in losses, then the lease agreement is dissolved nd we look for other entrepreneurs. It is true, unfortunately, that such an approach to privatization is not characteristic for our country. All of privatization was based on some kind of promises, which more and more often are not kept. As a result, a plant for whose development, let's say, 10 million dollars was promised, continues to drag out a miserable existence. There are very many similar examples. In order that this not happen, we proposed our own model of privatization.

The success of the experiment depends a great deal on how the management of the territorial production zones will be structured. There is the purely state management model, where bureaucrats direct everything, and there is the private model. In this case, leadership is handled by commercial structures, who make money only when the existing production is profitable. After long debates, we and the enterprises' leadership concluded that for us it is more acceptable when a private structure manages the zone. It is not important whether this is a bank, a juridical or a physical person. In any case, a private manager is concerned that every square meter of the zone works and produces profits, ensuring income for the management as well.

But here control over these managers will be implemented by a state organ—a coordinating council headed by oblast vice-governor Vasiliy Shchupyro. It is namely the coordinating council which determines the rules of the game—lease prices, mutual relations between the workers and management, control over production and so forth.

Management is chosen by competition, as are those who want to work on the territory of these zones. If we choose talented managers and work out a resonable plan for their material interest we will find really worthy candidates to work here. And I assure you, we will be able to create a model of an original industrial ant colony. And it will become a starting point for the further development of the oblast's industry.

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***Overview of Regional Banks Activities**

954E0925A Moscow KOMMERSANT-DAILY in Russian 29 Apr 95 p 6

[Article by M. Akimov, under rubric "The Life of Regional Russian Banks": "Short Walk Through Four Oblasts"]

[FBIS Translated Text] **According to certain estimates, more than 70 percent of Russia's financial resources are concentrated in Moscow, and the major domestic banks that are situated in the capital enjoy the increased attention of the mass media. The Moscow press less frequently prints reports on the life of the banks situated in the major industrial centers — St. Petersburg, Yekaterinburg, and Togliatti. But there are also cities and oblasts the banking life of which is completely unknown to the reader and viewer in the capital. Those regions include, in particular, the oblasts in Central and Northwest Russia. KOMMERSANT-DAILY special correspondent Maksim Akimov has decided in fill in that gap, by visiting Smolensk, Pskov, Novgorod, and Tver, where he met with the managers of local commercial banks, branches of banks based in other cities, and the main administrations of Tsentrobank [Central Bank].**

***Promstroybanks* [industrial-construction banks] and *zhilsotsbanks* [housing-and-social needs banks] have withstood the reforms poorly.**

It must be immediately noted that the welcome given by the local bankers to their "comrades from the center" surpassed the boldest expectations. They canceled other commitments, rescheduled meetings, and turned off their telephones — "Call me later. I have guests from Moscow. We're having a discussion." Although the times have changed, the people living in the outlying regions still perceive the arrival of a correspondent from a Moscow newspaper as a kind of inspection. Therefore the bankers talked thoroughly and frankly about their problems.

All four oblasts that I visited are industrial-agrarian ones. There are few profitable customers — large-scale, steadily operating enterprises. The consequence of this is the acute shortage of available financial resources and the comparatively small number of banking institutions, together with the practically complete absence of banks of a national scale. The smallest number of independent commercial banks operate in Novgorod — five. And the largest number operate in Tver — 19. Branches of banks based in other cities are most actively developed in Smolensk (nine), and the city that is "unencompassed" by the newcomers is Pskov — only three branches of out-of-town branches have begun operating there.

After visiting the regional cities, you can see once again the extent to which Moscow, with its tremendous "new" commercial banks, differs from the "boondocks," where the leading role continues to be played by the banks formed on the basis of institutions of the former *spetsbanks* [specialized banks]. As a result, the deployment of forces in the local banking communities is completely different from that in the capital.

The territorial branches of Russian Sberbank [Savings Bank], as they did in previous times, do not have any major clientele from among the former state enterprises. At best, they engage in providing settlement and cash services to the small commercial firms that arose comparatively recently and that, with regard to the number of transactions, are not comparable with the large-scale production enterprises. But Sberbank's basic function continues to be the providing of services to individuals.

Agroprombank [agricultural-industrial bank], as it were, stands alone and does not participate in the competition because of the weighty financial situation of its customers — agricultural enterprises. If it were not for the recently enacted governmental decree that suspended the charging and collection of interest and penalty sanctions on centralized credit, the *agroprombanks*, at least in the four mentioned oblasts, could be considered bankrupt.

As for the banks that arose on a "purely commercial basis," even those that are not having any financial difficulties today —and they constitute the minority — most likely do not have any prospects because of the constant raising by Tsentrobank of the minimum size of the bank's statutory fund in rubles. For them it is a practically impossible task to increase their statutory fund by 2-3 billion rubles during the current year. During the past two years in Novgorod, for example, only one new bank was registered. The only way out is to combine with stronger banks. In particular, with the former *spetsbanks* —Pskovakobank and Tveruniversalbank have already absorbed two small local banks. Soon two more will combine with Tveruniversalbank.

Who, then, remains? An active struggle about dividing the clientele is going on among the banks that arose on the basis of two former specialized banks — Promstroybank [PSB] and Zhilsotsbank [ZhSB]. For example, in Smolensk the forces of their "heirs" — the Titan Bank (PSB) and the Dnepr Bank (ZhSB) — are approximately equal. In Pskov there is an obvious feeling that Pskovakobank (PSB) has the advantage. In Novgorod, until recently the dominant role was played by Slavyanbank

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(ZhSB), but Novobank (PSB) has today taken the obvious lead with regard to developmental rates. The last-mentioned was able to take away from its competitor the funds from the oblast budget (currently the struggle for the city budget is in progress), and to open up eight branches, including in Moscow, and foresees in its development a complete merger with Slavyanbank. In Tver the positions of Tveruniversalbank (ZhSB) are, as yet, unshakable.

It is difficult for an outsider to penetrate into the regional banking communities.

In general, one peculiarity of regional life is that everyone has known one another practically since they were in diapers. In banking life that means that the people who run the show in the local community are those who have worked all their life in *spetsbanks*. Those bankers are linked with one another and also with the GU TsB [Central Bank main administrations] by long-standing business relations. In a word, the word "caste" is very appropriate for describing the regional banking community. Another confirmation of this is provided by the fact that the local TsB main administrations keep a very strict watch to see that the people with whom they will be working are well known to them. It is practically impossible to confirm outsiders, and that pertains to the managers of newly opened branches of out-of-town banks. Here is a typical situation: one of the main reasons why the Smolensk GU of Tsentrobank for two years refused to issue an authorization for the opening up of a branch of the Moscow International Joint-Stock Bank, was the fact that the person nominated for the job of director did not belong to the local banking circle.

Incidentally, this exclusivity also has its good sides — the regions have practically none of the banking scandals that are typical of Moscow. As a rule, the reasons for the failure of a number of banks are objective ones, or the insufficient proficiency of the managers. This especially pertains to the small-scale *selkhozbanks* that are based on financially weak individually-owned farms. So far, no one here has heard of any nefarious deeds, especially those linked with defrauding the public. Even the Sozh Bank in Smolensk, which recently had its license revoked, made complete settlement with its private investors.

As for the interrelationships among the managers of the local commercial banks, they are accustomed to working in the same harness, going back to their days as workers in Sberbank, Agroprombank, Promstroybank, or Zhilsotsbank, and today they maintain good relations and meet informally. The banking community that is most highly organized is in Pskov. On the initiative of Pskovakobank and the GU TsB, last year a Council of Banks was created here, with all the banking structures in the oblast being represented in it. It will be the council's task to work out the rules of "corporate ethics" and to resolve by joint efforts any questions of security and supply, as well as the creation of a data base pertaining to dishonest debtors. A similar council has been created in Tver, but the questions discussed there are of a more general nature, particularly the settlement of certain problems with the local authorities. Although, according to certain Tver banks, the position taken by the Tveruniversalbank leadership is hampering the unification of the region's banks. Incidentally, the principle of "divide and conquer" has been known since ancient times.

The new office helps us to work and live.

Another peculiarity of the life of regional banks that I would like to mention specifically is the purely visual impression —bigger and bigger local banks are being built, despite the depression. Having traveled abroad — and almost all the top managerial staff have visited their colleagues in the West — and having seen the kind of offices that their colleagues work in, Russian bankers decided that their offices should not be any worse. The construction of new buildings and the remodeling of the old ones are being carried out everywhere. The officials are attempting to change the decor typical of the times of developed socialism, which is most frequently encountered in state institutions, making that decor conform to today's fashion. Even a bank in the capital can envy the office of Novobank (Novgorod). In addition to the interior and exterior of the buildings, there has also been a change both in the outward appearance of the personnel and in the manner in which they communicate with the customers. In the old accommodations one frequently senses the old spirit — "the customer exists for the bank." In the remodeled banks one no longer meets workers wearing sweaters and old blue jeans, and the bank personnel attempt to resolve the customers' problems in a businesslike and pleasant manner.

True, one important element of foreign life has not yet been taken over in the outlying regions — cars. The motor pool of the local banks consists exclusively of Russian vehicles. The bankers ride around in Volgas and are not squeamish about doing so.

Bank service: worse than in Moscow, but not hopelessly worse.

As for the complete set of services offered to customers by the regional commercial banks, there is definitely a lag behind the banks in the capital. For example,

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work in the electronic system for the "bank-customer" settlements is a stage that many Moscow bankers have already passed through, but in the cities that were mentioned not a single bank has a system of this kind. In one of the branches of Sberbank, our correspondent asked about such a service as obtaining money in exchange for a traveler's check. The people there just waved their hands at him: we don't need miracles like that. The obtaining of money by using international plastic cards or the obtaining of traveler's checks are possible only at Tveruniversalbank. Although the proximity to the Western borders and being situated on busy main streets (Minskoye and Leningradskoye shosse) could fill this gap that is not yet occupied by the banks. Incidentally, it is precisely in these sectors that have not yet been encompassed by bank services that, to a large extent, the out-of-town branches are planning to crowd the local financiers. For example, the Smolensk branch of Avtobank is participating in a project to serve the visitors to an entire complex that is designed for through freight shippers.

However, the regional banks' lagging behind the Moscow ones should definitely not be called hopeless. The domestic technical equipping of the banks is being pulled up to the level in the capital. For example, Pskovakobank already has a program that makes it possible within 20 minutes to prepare a consolidated balance sheet that takes eight branches into consideration, which program is beyond the capacities of many Moscow banks. The main administrations of Tsentrobank are on the point of completing the process of automating payments with the use of three types of data transmission: over the Minsvyazi [Ministry of Communication] channel, FAPSI [Federal Agency of Government Communication and Information], and by way of a satellite. The GU TsB in Tver and Pskov have moved especially far ahead in this regard. And if one does not consider the delays in the payments by the commercial banks themselves, then it takes no more than two or three days for payments to get to Moscow. For the KOMMERSANT-DAILY correspondent, it became a discovery that local banks exchange 6-10 types of currency, including Belorussian rubles and the currencies of the Baltic states, with the rate of exchange practically corresponding to the Moscow rate. The same thing can be said about the interest on deposits.

Yet another distinguishing feature of the regional banks is the somewhat cautious attitude toward advertising. From time to time, the regional banks mention their services in the local press. Other types of advertising are practically nonexistent. The few billboards belonging exclusively to the major banks are executed at an extremely low artistic level. Even Tveruniversalbank, the advertising for which is present on practically every available wall space in Moscow, does not permit any specially eye-catching advertising back home in this oblast.

God is far away, but the Moscow banks are near

When speaking about the regional banks, one cannot fail to mention another important problem — the attitude of the local bankers to the out-of-town banks. In various cities that attitude is different. The most liberal conditions exist in Tver, where the authorities are attempting to develop competition among the banks. I other oblasts there exists a more restrained attitude toward the "Vikings," although officially the representatives of TsB give assurances that they are not averse to the arrival of Moscow or St. Petersburg banks. Special requirements that must be carried out by the "foreigners" who want to work in those oblasts are the support of the oblast's industry and the occupational suitability of the personnel. In particular, in Novgorod at the TsB, in addition to Tsentrobank's general requirements with regard to the managers being appointed, the nominees also have to go before a certification commission, whose decision influences the nominees' fate.

As for the branches of out-of-town banks, for the time being their influence is comparatively small. Among the successes in the struggle for major customers, one should mention the transfer of the Novokron chemical combine from Slavyanbank to a local branch of NGS-bank. But the struggle, according to local bankers, is already expanding, and the most aggressiveness in this region is being displayed by the St. Petersburg banks (especially Baltiyskiy Bank, which has branches in Pskov and Novgorod). One should also mention the Smolensk branch of Avtobank — it is the only one in the city that managed to acquire ownership of a building, and this attests to the seriousness of the intentions of the offensive against the local financial market. The question of opening branches in Tver, Novgorod, and Pskov is also being studied by Inkombank, which has been issuing promises right and left to bombard the local industry with inexpensive credit resources. So it is not precluded that, in a couple of years, when your correspondent plans to take another trip, he will discover a completely different picture in the regional capitals that were mentioned.

***Dudayev Financial Sources, Foreign Bank Accounts Detailed**

954F2189B Moscow SEGODNYA in Russian 25 Apr 95 p 3

[Article by Arkadiy Kutuzov under the rubric "Means": "The Dudayev Regime Traded in Petroleum Products,

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Cement, and Drilling Equipment: Payments for Petroleum Products Were Made Through the Groznyy Branch of Kredo Bank"]

[FBIS Translated Text] The general procurator of Chechnya and chairman of the National Bank of Chechnya, Usman Imayev, was taken prisoner during the first attempt by opposition troops to storm Groznyy at the approach to Zavodskiy Rayon. He was moved by helicopter from Znamenskiy to Mosdok and from there sent to Moscow. Mr. Imayev, according to SEGODNYA reports, was kept in the capital by Russian special services for a short time. On 28 November, 2 days after the opposition's storm of Groznyy had failed, Usman Imayev again took his place next to the president of the ChRI [Chechen Republic of Ichkeria]. Presumably he was exchanged for the opposition general Ibragim Suleymenov, whom the Chechen president was holding prisoner.

In accordance with the testimony received by Russia's special services from Usman Imayev, the "basic replenishments" of money for the Dudayev regime came through shipping strategic goods—petroleum products, oil equipment, cement, and machine building output—to various commercial structures on the territory of the RF, Ukraine, Georgia, Azerbaijan, and the Baltic Region, as well as certain foreign countries. The essential expenditures of the Dudayev regime were paid from the current accounts of these commercial structures. According to Mr. Imayev, they were also used to "deliver" cash money to the REpublic.

During interrogations in Moscow, Mr. Imayev stated that Adam Albakov, the director of the Groznyy leased plant for producing and selling petroleum products, was the "monopolist" in this activity. He was granted the exclusive right to ship petroleum products and, according to Usman Imayev, he "was linked with almost all the oil mafia of the former USSR." From 1992 until early 1994, Mr. Albakov's main accounts and capital flow went through the "Kredo Bank" system, which had a branch in Groznyy managed by Muslim Kadyrov. Moreover, General Dudayev's regime used the association "Chechentsement" [Chechen Cement], the Oil Refinery imeni Lenina, and the "Krasnyy molot" Plant (renamed the "Bazarp" Association) in its transactions.

The former general procurator of Chechnya shared information on the Republic's foreign accounts with the Russian organs. In Austria the Dudayev government's capital passed through the accounts of the "Faybor" firm. The Enforce Energy Corporation (United States) paid the Chechen side 7.2 million dollars to deliver oil equipment, but according to Mr. Imayev's information, the suppliers fell short of their obligations by 1 million dollars. The "Madzhes" joint venture worked with the Chechen authorities in Moscow, according to Mr. Imayev. Mr. Imayev reported that in the former Yugoslavia there were about 1 million dollars belonging to the Dudayev regime in the accounts of a firm whose name he did not know.

In Great Britain, according to Usman Imayev's information, Chechen money passed through the personal account of Mr. Utsiyev (later killed in London) in the private enterprise Lincoln Continental. Back in 1992, on the ChRI government's behalf, Mr. Utsiyev concluded a contract with the British company Tomas de Rio to produce ChRI bank notes, ChRI passports, metal coins, lottery tickets, and various securities. After Mr. Utsiyev's murder, the firm refused to fulfill the contract or to return the money that had been received as prepayment back in August-September 1992. Usman Imayev stated that he managed to get this money back and collect a fine and average bank interest on the sum worth several million dollars through one of the British law firms. Mr. Imayev said that the Tomas de Rio Company issued a check to him on Barclay's Bank, and he cashed it and deposited part of the capital in one of the Turkish banks and brought part of it into Chechnya.

*Sverdlovsk Privatization Dispute Eyed

954F2189A Moscow SEGODNYA in Russian 25 Apr 95 p 2

[Article by Aleksandr Bekker under the rubric "Arbitration": "The Government Appeared as a Co-Defendant in the 'Uralmash' Case: The Suit Against the Plant Is Dismissed by the Court"]

[FBIS Translated Text] The 19 April trial on the suit instituted by the procurator's office of Sverdlovsk Oblast against the AO "Uralmash" [Ural Machinery Joint Stock Company] proved to be very short-lived. The suit concerned excluding the property of the "Spetstekhnika" series-produced machine plant from the company's capital stock: the plant was in essence a shop of the state enterprise "Uralmash" for about 40 years, and in November 1992 was privatized as part of it. Two and one-half hours after the session opened, the arbitration court dismissed the suit and terminated the proceedings.

Here is the essence of the procurator's office's claims. The "Spetstekhnika" plant produced artillery equipment (guns for tanks). According to the State Privatization Program for 1992, "privatization of objects and enterprises for manufacturing and repairing systems of elements of any type of weapon and for producing combat munitions is carried out only by decision of the RF government." Inasmuch as there were no special decisions either for "Spetstekhnika" individually or for

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"Uralmash" as a whole, in the procurator's office's opinion the value of the property of the series-produced machine plant amounting to 82.9 million rubles (roughly 4 percent of the capital stock) should be excluded from "Uralmash's" capital stock, and this fixed capital should be transferred to the balance of the territorial agency of the RF State Committee on the Administration of State Property [Goskomimushchestvo—GKI]. During the proceeding, the "Spetstekhnika" trade union organization supported this proposal, declaring that "workers are waiting impatiently for the court to create the plant."

It was not only the broad recognition of the enterprise (the "father plant," as "Uralmash" was called in the USSR) but also the fact that the suit was begun by the head of the Sverdlovsk Duma, Eduard Rossel, which made the event unusual. The voluntary participation in the proceedings by the RF government, Goskomimushchestvo and the Federal Property Fund, also surprised everyone. The first deputy chairman of the GKI, Petr Mostovoy, directed the judges' attention to the fact that the decision on privatization of the "Uralmash" Production Association was made in 1991, that is to say, before the former Supreme Soviet adopted the State Privatization Program, which stipulated that enterprises such as "Spetstekhnika" would be privatized by special decision of the government. But even under these circumstances, the chairman of the GKI at that time, Mr. Maley, and vice premier Gaydar issued endorsing resolutions on the privatization of "Uralmash" as an integrated whole. And overall privatization was conducted on the strict basis of Edict No 721 dated 1 July 1992 on transforming state enterprises into joint stock companies.

Mr. Mostovoy pointed out a certain incongruity in the suit of the procurator's office, which had announced that it was operating in the state's interests and particularly in the interests of the territorial agency for the administration of state property. If that is really true, said Mr. Mostovoy, why did the procurator's office enter that same agency as defendant in the suit along with "Uralmash"? In the opinion of the first deputy chairman of the GKI, the procurator's office's claims on protecting public interests, in other words the employees of the "Spetstekhnika" plant, do not fit very well either. Transferring the enterprise to state or municipal ownership will not fundamentally change the laborers' status, since orders to produce tank guns will not appear because of it. Moreover, it will force the state budget to support the idle plant, while at this point 600 employees of "Spetstekhnika" have already found jobs at "Uralmash" and the other 1,400 have been offered jobs, although not in their specializations, it is true.

In this way, according to local journalists' observation, the court was reviewing a paradoxical situation where the procurator's office undertook to protect state interests but the state had no use at all for this legal representation. The government, for example, did not respond at all to the February appeal of the Council of Directors of the AO "Uralmash" in which the Council voluntarily proposed to Moscow to transfer "Spetstekhnika" along with its property to federal ownership.

After the determinative part of the decision, to terminate the proceedings, was made public by the court, the accompanying memorandum should be published this week. From that moment, the fate of the suit against "Uralmash" will depend entirely on political conditions, in my opinion. The head of the oblast Duma, Mr. Rossel, appealed to arbitration even before the procurator's office did, as is well known. Observers link the procurator's office's present suit in arbitration with Mr. Rossel's desire to make points for protecting workers of defense enterprises, which make up the core of the oblast's economy. It is therefore not impossible that the local procurator's office will file a protest against the court's decision, naturally laying out its claims for relief to the session of the collegium of the oblast arbitration court and deleting from the suit such a trivial point as the fact that the plaintiff and the defendant were the same—the oblast administration on property.

However, with the best outcome of the case in Yekaterinburg for Mr. Rossel, the prospects for a final decision on the case in his favor are doubtful. If the case reaches the Supreme Arbitration Court, the General Procurator's Office is unlikely to support the ardor of its provincial colleagues.

*Economic-Social Oblast Growth Reviewed

954F2195A Novosibirsk SOVETSKAYA SIBIR in Russian 27 Apr 95 p 2

[Report by the Novosibirsk Oblast Committee for State Statistics: "Economic and Social Development of Novosibirsk Oblast in the First Quarter of 1995"]

[FBIS Translated Text] The most important economic and social indicators characterizing the results of January-March 1995 are as follows:

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	January-March 1995	January-March 1995 as a Percentage of January-March 1994	For reference: January-March 1994 as a Percentage of January-March 1993
ECONOMIC INDICATORS			
Industrial production volume, rubles	2.1490 trillion	88.9*	x
Capital investments from all sources of financing, rubles	281.5 billion	60.0	62
Housing assets commissioned through all sources of financing, total area in square meters	97,800	4.9-fold	15
Agricultural production output in all categories of farms, tonnes:			
—Livestock and poultry sold (live weight)	37,200	95	77
—Milk	182,700	94	80
—Eggs, each	152.2 million	99.5	96
Volume of livestock purchases from all categories of farms, tonnes:			
—Livestock and poultry (live weight)	19,400	86	67
—Milk	72,500	90	68
—Eggs, each	110.2 million	105	99
Freight shipments (dispatch) by transportation enterprises, tonnes	7.0 million	84	64
Passenger transportation, number of passengers	84.7 million	97	x
Retail trade volume, rubles	1.7402 trillion	101	x
—including enterprises officially taken into account	1.1644 trillion	111	93
SOCIAL INDICATORS			
Average monthly, per capita, monetary income of the populace, rubles	235,700	221	654
Subsistence minimum (beginning of April), rubles	209,500	380	x
Consolidated consumer price index for goods and services, March 1995 as a percentage of March of last year	x	312	543
Number of individuals officially registered as unemployed with the Employment Service (as of the beginning of April)	26,300	154	136

* Index of physical volume of industrial production

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PRODUCTION AND INVESTMENTS Industry.

Production output effected in January-March by industrial enterprises of all forms of ownership, small joint enterprises, and industrial subdivisions of non-industrial organizations amounted to R2.1 trillion [rubles] in current prices, including R1.9 trillion by large and mid-size enterprises. Production volume in industry as a whole decreased 11.1 percent as compared with the same period of last year, including a 10.7-percent decrease for large and mid-size industry.

Of the 94 most important production varieties considered in periodic reporting, production in 31 varieties (33 percent of the total) increased in January-March of this year as compared with the same period of last year, while a production drop was observed for 59 varieties (63 percent). This drop amounted to more than 50 percent for 17 of the production varieties.

Volume of industrial production in the electric power industry fell 19.2 percent over the first quarter. During the reporting period, 14.2 percent less electric power was generated than was the case during the same period of last year.

Production diminished 22.5 percent in the fuel industry. Coal extraction was reduced 20.6 percent, oil production—17.4 percent. The average daily extraction of coal in March showed a 1.3-fold increase over February levels.

A production increase of 0.9 percent was observed in ferrous metallurgy. This growth took place in the majority of basic types of metal output. Production of steel pipe was reduced by 45.2 percent, stainless steel sheeting—by 26.1 percent. The average daily output of cold-rolled steel stripping increased significantly in March as compared with February—by a factor of 12, while that of finished rolled metal increased by a factor of 1.5.

Nonferrous metallurgy enterprises increased their production by a factor of 1.3. There was an increase in the output of tin and metallic molybdenum.

Production was reduced 23.6 percent in the chemical and petrochemical industry. The drop in production of polyvinyl chloride plastics was significant—79.5 percent, of plasticizers—56.5 percent. For most of the basic varieties, an increase in average daily production was observed over the previous month's levels.

Production volume dropped 20.2 percent in machine building. Significant reductions were observed in the output of metal-cutting machine tools (by 88.2 percent), woodworking apparatuses (54.5 percent), means of automation and associated spare parts (54.4 percent), major items of electrical machinery (47.9 percent), technological equipment for light industry and associated spare parts (42.9 percent), pressing and forging machines (33.3 percent), and medical equipment and associated spare parts (29.2 percent). Metal-cutting machine tools and pressing and forging machines were not produced in March. The average daily production of looms increased over February levels.

Enterprises of the timber and woodworking industry lowered their production output by 9.7 percent. The export of commercial timber was reduced 10 percent, of sawn lumber—4.8 percent.

In the building materials industry, production fell by 16.4 percent. Significant reductions were seen in the output of panels used in large-panel housing construction (47.1 percent), cement (36.6 percent), and medical ceramic items (25.2 percent). Average daily production of the majority of main production varieties increased in March over the previous month's levels with the exception of precast reinforced concrete, nonmetallic building materials, radiators, and convection heaters.

Production volume in light industry rose 5.8 percent. There was an increase in the output of leather and felt footwear, and socks and hosiery.

Production output in the food industry dropped 5.8 percent.

The decrease in production of consumer goods in the first quarter of this year was 15.4 percent (this index was 34.4 percent for the same period of last year), in March—16.3 percent. The production of nonfood products dropped 34 percent. Within this category, output of light industry products fell 22.4 percent. The decline in production of food products amounted to 0.7 percent, of beer, vodka, and wine products—1.4 percent. For the 51 most important consumer product varieties, reduced production output was observed in 32 varieties as compared with January-March of last year. The drop amounted to more than 50 percent for 12 of these varieties. Production volumes increased for 18 production varieties.

Prolonged shutdowns of enterprises continue to take place, as before. Thus, the number of enterprises with production stoppages increased from 77 in February to 91 in March, and work-time losses resulting from these stoppages increased from 280,000 man-days in February to 344,000 in March. The March figure was a reduction of 127,000 man-days from the level of March of last year (matching the number of work days). In this regard, 36 percent of the total work-time losses registered in the first quarter are attributable to March. Seven enterprises

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completely shut down their production operations for more than one shift. Losses here amounted to 9,400 man-days (2.7 percent of the total work-time losses). It is mainly enterprises of the machine-building and metalworking industry, light industry, and the chemical industry that were not operating. The main reason for production stoppages continues to be material resource shortages (56 percent) and problems with production sales (24 percent). Enterprises relate 12 percent of all losses to the conversion of industrial production. It is mainly for this reason that machine-building enterprises have ceased production.

The process of formation of the nonstate sector of industry continues. In January-March, 278 large and mid-size (with personnel strength greater than 50) enterprises—71 percent of the total number in the oblast—had a nonstate form of ownership. Most widespread among the nonstate enterprises is the mixed form of ownership (without foreign participation)—155 enterprises—which in first quarter produced 69 percent of the industrial production in the nonstate sector in current prices. The production decline is 3.7 percentage points higher at enterprises of the nonstate sector than at state enterprises (rates of decline being 87.8 and 91.5 percent, respectively). ((as published))

Agriculture.

Agricultural producers continued their preparations for spring field work and the sowing campaign.

As of the beginning of April, 71 percent of the tractors were in a state of readiness, as were 73 percent of farm cargo vehicles, 69 percent of sowing machines, 77 percent of plows, and 74 percent of cultivators. The preparedness level of cultivators was higher than as of the same date last year, while that of farm vehicles and sowing machines was at the 1994 level. The preparedness level of tractors and plows was lower than one year ago.

A tense situation has taken shape with respect to provision of farms with fuels, oils, and lubricants. Stores of diesel fuel are 16 percent lower than as of the same date last year, and gasoline—39.4 percent lower.

The livestock situation remains adverse. Over the January-March period, the quantity of livestock and poultry sold by agricultural enterprises for slaughter was 1,400 tonnes less than during January-March of last year, milk production was 10,400 tonnes less, and egg production was less by 700,000 eggs.

The average, per-cow yield of milk as of the beginning of the year came to 353 kilograms at farms of collective and collective-contributory forms of ownership during the first quarter, as opposed to 351 last year. Egg yield amounted to 55 eggs per chicken (same as the 1994 level).

Livestock on hand at all categories of farms as of the beginning of April included 1,433,100 head of cattle, including 548,500 cows; 436,100 pigs; and 743,500 sheep and goats. In private farmyards of the populace and on owner-operated farms, there were 415,000 head of cattle, including 189,000 cows; 189,700 pigs; and 462,600 sheep and goats.

Procurement centers received 19,400 tonnes of livestock and poultry (live weight) over January-March, 72,500 tonnes of milk, 110.2 million eggs, and 211 quintals of wool (pure-fiber weight).

Procurement of livestock and poultry was 14 percent less this year than for first quarter of last year, milk—10 percent less. Egg purchases increased 5 percent.

Over this same period, 6,900 tonnes of livestock and poultry, 4,200 tonnes of milk, and 5.9 million eggs were sold by agricultural enterprises at markets, individually owned stores, and public kitchens. Since the beginning of the year, proprietary farmers (owner-operated farms) delivered 11 tonnes of milk for state resources.

As of the first of April, there were 6,028 peasant (owner-operated) farms in the oblast, accounting for 346,600 hectares of land (57.5 hectares per farm) in agricultural use. Due to financial complications and other reasons, 1,333 owner-operated farms have ceased operating since 1 January 1992.

Capital Construction.

In January-March of this year, enterprises and organizations of all forms of ownership applied R281.5 billion of capital investments through all sources of financing (60 percent of the level for the same period of 1994).

Federal budget finds constitute 21 percent of the capital investment structure, local budget funds—13 percent, and enterprise funds—62 percent.

Some R158.8 billion, or 56 percent of the total volume of capital investments, was applied in the construction of production-oriented facilities through all sources of financing. Some R26.9 billion (10 percent of total investments in oblast construction) was used for facilities of the agroindustrial complex. Capital investments for development of the oblast's social sphere amounted to R122.7 billion—38 percent less than during the same period last year.

Some R73.8 billion of capital investments (61 percent of the funding for non-production construction) was applied for housing construction.

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Capital investments for the construction of general-education schools amounted to R3.9833 billion, pre-school institutions—R188.4 million, hospitals and walk-in clinics—R3.7884 billion, clubs and palaces of culture—R46.3 million.

In general throughout the oblast, fixed capital valued at R96 billion was placed in operation through all sources of financing. Some R22.3 billion of this was attributable to production-oriented facilities.

Some 1,800 apartments, totalling 97,800 square meters in area, were commissioned in the oblast through all sources of financing over the January-March period. This is 4.9 times greater than the level for the same period of last year. Of the total volume of commissioned housing, 17 percent was placed in operation through federal budget funds, and 0.3 percent—through local budget funds.

The Clinical Immunology Institute put a 139-bed diagnostic and treatment facility into operation.

At the workers' settlement Central Chany, the rayon hospital added an annex to the polyclinic capable of handling 300 visits per shift.

Construction organizations in the oblast accomplished contracting work in the first quarter of 1995, using their own assets, amounting to R331.4 billion—a 35 percent reduction from the level for the same period of last year.

Transportation and Communications.

Under conditions of diminished production volumes, the volume of freight shipped continues to decrease. Over the first three months of 1995, the freight shipment volume decreased by 1.3 million tonnes, or 15.6 percent, from last year's level.

Volume of freight dispatched on the West Siberian Railroad was 3.6 percent less than last year, while freight turnover increased by 0.7 percent.

The significant increase in rates for freight shipments by motor vehicle led many consumers to reject this form of shipment. As a result, freight shipments by motor vehicle were reduced by 22.2 percent, freight turnover—by 3.5 percent.

Air freight shipments increased by 14.3 percent, freight turnover—by 1.8 percent.

Increased fares for passenger transportation brought about a change in passenger travel. A reduction of 0.2 percent was seen in passenger transportation by rail, a drop of 13.5 percent in passenger turnover volume. Passenger dispatches by air increased by 25.4 percent, while passenger turnover was reduced 5.6 percent. A 2.6-percent decline was seen in passenger transportation by motor vehicle, passenger turnover decreasing by 10.3 percent.

Regularity of municipal transportation operation in March of this year was measured at 98.8 percent (in February it was 102.6 percent). The situation with respect to suburban transportation remains adverse. Thus, in March of this year, only 88.2 percent of the trips announced in schedules were completed, including 84.7 percent of bus trips.

Income received by transportation enterprises in January-March of this year amounted to R65.1 billion, of which R17.8 billion was attributable to services provided to the populace. Income in the transportation sphere increased 3.7-fold as compared with January-March 1994, including a 4.7-fold increase due to services provided to the populace.

PRIVATIZATION

Applications for privatization were submitted by 53 enterprises and organizations during the first quarter. The value of privatized property amounted to R5.2 billion, volume of production (services) output—R41.7 billion, number of individuals employed—5,500. Some 58.5 percent of the enterprises submitting applications are enterprises with personnel strength of up to 200, with average assets value of R2.1 billion. Most of these enterprises are in the sphere of trade and public kitchens.

Thirty-nine organizations and facilities in the city of Novosibirsk submitted applications for privatization, with assets valued at R2.5 billion.

Fifty-one enterprises and organizations were in fact privatized, including 43 in the city (figures for January-March 1994: 142 and 68, respectively).

The bulk of privatized enterprises (78.4 percent) continue to be facilities of municipal ownership. With respect to sector of industry, most (58.8 percent) are enterprises of trade and public kitchens. Industrial enterprises comprise 1.4 percent of the total number of privatized enterprises.

The main methods used to effect privatization over this period were redemption of leased property (39.2 percent) and commercial bidding (31.4 percent).

The average value rate of enterprise property in the oblast was 1.3-fold. In sectors of the economy, this fluctuated from 4.1-fold in industry to 1.1-fold in public kitchens.

Five federally owned enterprises were converted to joint-stock operation, with charter capital of R540.6 million and the issue of 654,700 shares.

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Payments in accordance with a buy-sell agreement were made in full by 44 of the privatized enterprises.

Over the first quarter of 1995, enterprises—including joint-stock companies—received funds amounting to R10.4 billion. This is 10.4 times greater than during the same period of 1994.

Of the proceeds obtained following the sale of property, R2.9 billion (37 percent of earnings after payments to the employees of privatized enterprises) was transferred to local budgets, and R1.5 billion each—to the oblast and federal budgets (19.2 and 18.7 percent, respectively). Some R1.6 billion (20.5 percent) was transferred to the state privatization organs.

PRICES

Consumer prices for goods and services rose 1.4-fold during the first quarter, including a 49.6-percent rise in foodstuffs, 26.1-percent rise in nonfood products, and 66.2-percent rise in paid services.

The greatest price increases for food products were observed with respect to fish—by a factor of two, milk and dairy products—by a factor of 1.7, sausage products, margarine, bread and bakery products—by a factor of 1.6, eggs—by a factor of 1.5, and potatoes—by a factor of 1.4. Price increases for foodstuffs over the January-March period exceeded the increases for nonfood products.

The most significant price increases for industrial products were observed with respect to coal—4.4-fold, gasoline—2.2-fold, baby diapers—1.9-fold, printed publications—1.7-fold, personal means of transportation and washing machines—1.5-fold, jewelry—1.4-fold, medicines—1.3-fold, and detergents—1.2-fold.

The greatest rate of price increase was noted with respect to paid services provided to the oblast populace. Since the beginning of the year, costs of housing and municipal services doubled, the cost of child care in preschool institutions increased 1.9-fold, of repair and technical servicing of motor vehicles—1.8-fold, sanatorium and resort facility fees—1.7-fold, passenger transportation—1.6-fold, services in the cultural sphere—1.5-fold, and communications services—1.4-fold.

A rise in wholesale prices in industry exerted its influence on the growth of consumer prices. The wholesale price increase was in turn related to increased expenditures required for production output (increased cost of materials and raw materials, energy resources, and fuel).

Wholesale prices of foodstuffs increased by 64 percent during the first quarter, including increases of 55 percent in the bread-baking and meat industries, 2.1-fold—in the butter and cheese processing industries, and 43 percent—in the confectionery industry. Production output in the light-industry sector rose 49 percent in cost over this period, including increases of 95 percent in the cotton industry, 85 percent for knitted articles, and 47 percent in the garment industry.

FINANCE

According to data of the oblast administration Directorate for Finance and Tax Policy, the oblast budget as of the beginning of March was implemented with respect to revenues in the amount of R437.2 billion.

Value-added tax comprised the largest share of the revenue structure—24 percent; profits tax accounted for 14 percent; income tax from physical persons—12 percent.

Oblast budget outlays totalled R412.5 billion, 36 percent of which was used to subsidize sectors of the economy.

According to preliminary data, oblast enterprises and organizations generated over R690 billion in profits during the first quarter. More than 50 percent of the total profits received are attributable to industrial enterprises. Almost one-third of the enterprises of the oblast are operating at a loss. The preponderance of unprofitable enterprises are in the fuel industry, timber and woodworking industry, building materials industry, and light industry. The financial state of enterprises is complicated by the fact that mutual settlements remain outstanding. Thus, as of the beginning of March 1995, the overall indebtedness of enterprises in industry, transportation, construction, and agriculture totalled R3 trillion, including creditor indebtedness of R2.5 trillion, and indebtedness on loans and credits of R0.5 trillion. Delinquent creditor indebtedness amounted to R1.2 trillion, over 48 percent of which was attributable to delinquent indebtedness to suppliers, and almost 24 percent to delinquent indebtedness in payments to the budget. More than 30 percent of the delinquent creditor indebtedness is of over three months' duration. The debtor indebtedness of industrial, agricultural, construction, and transportation enterprises and organizations totalled R1.8 trillion as of the beginning of March, including R0.9 trillion (47 percent of the total volume of debtor indebtedness) which was delinquent. Debtor indebtedness outstanding for a period of more than three months comprised over 39 percent of the total volume of delinquent debtor indebtedness.

COMMODITIES MARKETS

In January-March of this year, consumer products valued at R1.7 trillion were sold to the populace through all sales channels—1.1 percent more (in comparable prices) than during the period January-March 1994.

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The commodity turnover of officially registered trade organizations amounted to R1.2 trillion (66.9 percent of the total). This represents a growth of 11.3 percent, in comparable prices, over the level observed during the same period of last year.

The nonstate sector played a leading role in the organizational system of economic processes in the consumer market, its share comprising 84.1 percent of the retail commodities turnover volume, as opposed to 80.8 percent in January-March of 1994.

Some R976 billion in foodstuffs was sold to the populace over the three months—56.1 percent of the total commodities turnover volume, equivalent to the level of the first quarter of 1994.

As of the beginning of April of this year, R312.7 billion in commodity reserves were available in the trade sector, providing for 33 days of trading, as opposed to 40 as of the same date in 1994. Degree of saturation of the consumer market with products has been fairly stable in nature. As of 28 April, this index was 100 percent for the majority of food and nonfood products, 87.5 percent for synthetic detergents, 85.7 percent for cottage cheese, eggs, and sugar, and 88.9 percent for milk.

Enterprises engaged in wholesale trade sold goods valued at R1.918 trillion, including production-technical goods costing R1.883 trillion (98.2 percent) and consumer products costing R35 billion (1.8 percent). Of the total volume of commodities, 44.2 percent were sold in the territory of Novosibirsk Oblast. Exports included finished rolled ferrous metals, trucks, garments, leather footwear, sugar, milk production, and fish.

Industrial enterprises sold production output costing R781.9 billion in January-February. Almost 63 percent of this figure is attributable to production-technical products, and over 37 percent, to consumer goods. More than 62 percent of the total volume of commodities was produced in Novosibirsk Oblast (52 percent of the production-technical products and 79.2 percent of the consumer goods). The following products were exported to areas outside the oblast: coal, commercial timber, sawn lumber, garments, leather footwear, macaroni items, vodka and other alcoholic products, dairy products, flour, cereals, synthetic detergents, piping, rolled ferrous metals, laundry soap, toilet soap, and eggs.

STANDARD OF LIVING

Monetary income of the oblast populace over the January-March period amounted to R1.975 trillion (R236,000 per capita, per month, on the average)—a 2.2-fold increase over the level of the same period in 1994, while consumer prices rose 2.9-fold.

The average monthly wage for workers and office workers was R270,000. The highest level of wages was noted in credit, finance, and insurance organizations—R479,000, and at communications and transportation enterprises—R449,000 and R427,000, respectively. The lowest level was registered in agriculture—R126,000.

The value of the subsistence minimum, determined in accordance with methodology of the Russian Ministry of Labor, was R209,500 in March. This represents a 3.8-fold increase over the same period of 1994.

Some 943,000 individuals were employed in the oblast economy at enterprises taken into account. Additionally, over 80,000 individuals were employed in small business organizations.

Registered on the rolls of employment service organs are 30,900 citizens seeking jobs, 26,300 of whom have been officially declared unemployed. The official level of unemployment only partially reflects the scope of forced unemployment of the populace—10 percent of all people employed do not put in a full working day, or are on leave without pay at the direction of management.

Over the January-February period, 3,922 births and 6,572 deaths were registered. Natural population losses amounted to 2,650 individuals.

Number of births increased by 130 over the same period last year, while the number of deaths decreased by 970.

The main causes of death in the oblast remain circulatory illnesses (52.9 percent), accidents, poisoning and misadventure cases (12.7 percent), and cancer (13.7 percent). Some 5,200 people died for these reasons during January and February 1995.

Within the structure of causes of death, accidents, poisonings, and misadventure once again occupy third place. The greatest number of these are attributable to suicide (141 people), murder (117), transportation-related accidents (82), and accidental alcoholic poisoning (67).

There were 2,734 marriages registered over the first two months and 1,997 divorces.

According to data from the oblast Center for Medical and Epidemiological Oversight, the number of registered cases of bacteriological dysentery increased 1.3-fold in January-February 1995 over the level recorded for the previous year, acute intestinal infections—1.4-fold, pediculosis—1.5-fold, chicken pox—1.6-fold, viral hepatitis—1.8-fold, German measles—1.9-fold, and syphilis—5.3-fold.

According to data of the oblast Internal Affairs Directorate, 10,400 crimes were registered during the

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January-February period, including 400 (3.8 percent) crimes against the individual, and 7,100 (68.3 percent) property crimes. Criminal charges were filed against 5,700 individuals.

***Murmansk Oblast Standard of Living Viewed**

954F2229A Murmansk POLYARNAYA PRAVDA in Russian 14 Apr 95 p 1

[Article by N. Lavrova, head of the Population Standard-of-Living Statistics Division of the Murmansk Oblast Committee for State Statistics: "What Is Happening to the Standard of Living?"]

[FBIS Translated Text] Based on continuous selective sampling data, the Murmansk Oblast Committee for State Statistics has analyzed the changing standard of living of various groups and segments of the oblast population.

—How much beef could you buy on your income in 1993 and 1994?

—Murmansk: One of the top 10 "most expensive" cities.

—Poor people are eating more bread.

—Older children are handing down their clothing to the young.

—You could not go on vacation.

—More and more people find themselves below the poverty line.

According to survey data, monetary per capita income in our oblast averaged 3.5511 million rubles [R] in 1994, a fourfold increase over the 1993 level. The rate of growth of monetary income at the beginning of last year and during its fourth quarter lagged behind the rate of growth of consumer prices, resulting in reduced purchasing power of the populace.

Thus, the average per capita income received by an individual during the first quarter of 1993—R80,300, enabled him to purchase 787 kilograms of wheat bread, or 216 kilograms of beef, or 1,181 liters of milk; corresponding indices for the first quarter of 1994 (average per capita income—R562,100) were 643 kilograms, 214 kilograms, and 909 liters, respectively. But with the average per capita income received during the fourth quarter of 1994 (R1.1301 million), one could obtain only 459 kilograms of wheat bread or 633 liters of milk—almost down to half of what could be purchased at the outset of 1993, and 187 kilograms of beef (13.4 percent less).

No significant changes or differences in the structure of monetary income earned by the members of surveyed families were observed as compared with 1993. The proportion of labor income (for which wages comprise the basis) fluctuates from 72 to 86 percent, depending on the financial well-being of the household.

The influence of social payments (pensions, stipends, compensation, allowances) is more significant for families with low material well-being, and varies from 10 to 21 percent. Survey materials indicate that in families with a low standard of living, each working member supports at least one dependent. While in families that are well off, there are two or three working members for each dependent, as a rule.

Monetary expenditures in 1994 amounted to R3.2062 million per person, on the average, a fourfold increase over the previous year.

Some R1.178 million of the total monetary expenditures per person, on average, were spent on food. This amounts to R98,200 per month—4.3 times the 1993 level. The food requirement reflects a top-priority need, and is less dependent on the level of individual income or growth of consumer prices (over the course of the entire year, Murmansk was among the top 10 most expensive Russian cities with respect to price level).

The gulf between the neediest 10 percent and most well-off 10 percent of the population in expenditures for the purchase of food products is represented by a factor of 2.7 (according to survey data), while the gap is far greater with respect to the acquisition of nonfood products—9.9, alcoholic beverages—7.7, and cost of personal services—4.4.

We are observing a decrease in the proportion of outlays on industrial goods and an increase in spending on food products and fees for services that have become far more expensive—both with respect to monetary outlays overall and consumer-oriented expenditures.

The populace spends a third of its food money on meat products, one-twelfth—on vegetables and dairy products, one-tenth—on bread products, confectionery items, and sugar, one-eighth—on fruits and berries, one-sixth—on fish products, one-fourth—on potatoes, and one-third—on eggs.

A significantly smaller share (40 percent) of the consumer budget of well-to-do households is spent on food products than is the case in the poorest households (62 percent).

Consumption of meat products in the neediest families surveyed amounts to just 52 percent of the consumption level of the most well-to-do families. For fruits and berries, this figure is 42 percent; for dairy products—56 percent; vegetables and melons—61 percent; fish

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products—65 percent; sugar and confectionery items—74 percent; potatoes—73 percent. Families with a low standard of living consume 29 percent more bread products.

Dynamics of Consumer Expenditures (On Average, Per Household Member, in Percent)

	1990	1991	1992	1993	1994
Consumer expenditures, total	100.0	100.0	100.0	100.0	100.0
including on:					
food	33.1	33.2	42.2	41.6	44.5
nonfood products	44.7	50.3	43.8	44.9	37.1
alcoholic beverages	5.1	3.2	3.9	2.7	2.7
personal services	17.1	13.3	10.1	10.8	15.7

Per capita expenditures on the purchase of nonfood products averaged R981,300, or R81,800 per month, a 3.3-fold increase over the 1993 level. Whereas in a family consisting of two adults and one child, more than 40 percent of consumer expenses go to nonfood products, in a family of two working members and three children, or in the case of pensioners, this figure is 20-25 percent. These constitute expenditures on the most necessary items, medicines, and household products.

People who are existing beyond the poverty line have no opportunity to acquire expensive products or durable goods. In families with many children, articles are handed down from one child to another...

In 1994, family money spent on personal services totalled R416,000 in the households surveyed, or R34,700 per person per month—a 7.8-fold increase over the 1993 level.

As a result of the manifold increase in rates for housing and municipal services, the proportion of expenditures on everyday services increased from 33.5 percent in 1993 to 63.6 percent in 1994.

Monetary outlays on the sewing and repair of clothing and footwear diminished from 23 percent in 1993 to 9.3 percent in 1994. Money spent on services at barber shops, beauty parlors, baths, and laundry facilities dropped from 15.5 to 8.5 percent.

The high rate of cost increase in passenger transportation fares has led to a situation where many families are unable to go on vacation. In 1994, passenger transportation volume by rail in the oblast decreased by 7.1 percent of the 1993 volume, travel by air decreased by 2.8 percent. According to survey data, transportation services (in second place with respect to share of monetary outlays) comprised 38.8 percent of the total amount spent on services, while in 1993 this figure was 40.3 percent.

Data from the budget survey of households in Murmansk Oblast enable us to note that despite the growth of monetary income, the standard of living of the bulk of the populace is declining. In 1994, an acceleration was seen in the processes of social stratification of the populace with respect to income distribution. The number of people existing below the poverty line in increasing.

*Official Details Development in Khakassia

954F2141A Moscow KULTURA in Russian 15 Apr 95 No 14, p 3

[Interview with Vladislav Mikhaylovich Torosov, first deputy chairman of the Council of Ministers of Khakassia, by correspondent An. Makarov, Abakan—Moscow; date not given: "Far From the Sea, at the Center of Siberia"]

[FBIS Translated Text] Abakan-Moscow—The Chechen tragedy has for the time being covered up the problems of the Russian regions. And, happily, it is far from everywhere that they have reached the point of a fateful standoff; little by little they are being resolved through compromises which, although not easy, are reasonable. As a result of which, paradoxical as it may be, both sides stand to win. Both Russia, which avoids another split in its power space, and the region, which has gained its desired right to build its own economy, taking into consideration not only statewide interests of the center, but also its own desire to arrange a normal, worthwhile life.

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In this sense, the fate of Khakassia is instructive. Traditionally, the autonomous oblast has been a part of Krasnoyarsk Kray, and not so long ago it rose to the status of a component of the Federation and was made an autonomous republic in Russia. And this was guided mostly by facts of economic expediency and not by the notorious desire for national sovereignty at any price. That is, there probably have been and still are in this multinational autonomous entity representatives of the ethnic group for which it is named whose national sensibilities have been offended, but they do not set the tone. Rather it is people who think in a truly state-like way: understanding their local interests as the most immediate and direct embodiment of the interests of immense Russia. Today our correspondent's questions are answered by the first deputy chairman of the Council of Ministers of Khakassia, Vladislav Mikhaylovich Torosov.

[Torosov] When people ask me what distinguishes our current position as the autonomous Republic of Khakassia, a part of the Russian Federation, from our previous position of the Khakassian Autonomous Oblast, a part of Krasnoyarsk Kray, I give a simple example from driving a car. Let us say that you are being towed. That is, you have a car, you have wheels, you have a steering wheel, and, finally, you have passengers you are hauling, but you do not have the slightest freedom to maneuver. Your course and your route and your speed are determined by the will of the driver who is towing your car. This is the typical situation in which the autonomous oblast lives and works.

Perhaps to the passenger who is riding in the vehicle that is being towed along, independence of movement is not so important. One way or another, they get where they are going, and that is all right. But you will agree that any normal driver will always prefer to move on his own over being safely towed. He will have the chance to arrive at the designated point more quickly and, quite probably, by a shorter route.

It took us a very long time to achieve this kind of independence. The best people in our regions raised this question to the appropriate authorities back in the thirties. And they paid with their lives for these healthy thoughts; they were executed in 1934. In 1937 my father, at that time chairman of the oblast executive committee, again put forth the idea of Khakassia's becoming a direct part of Russia, bypassing subordination to Krasnoyarsk Kray, and he was punished as a Japanese spy. As a supporter of pro-Japanese orientation. I recently managed to find in the KGB archives the file on his execution. His proposal did not contain even a hint of any kind of separatism. It was only about direct subordination to Moscow. Nonetheless, this desire was interpreted quite simply. In one particular sense. Our family was spared from being violently destroyed only by the circumstance that at that time I was only seven months old. A child under two years of age could not be taken away from his mother.

Such is the prehistory of the issue. Needless to say, nobody mentioned the idea of autonomy from that memorable 1937 until the beginning of perestroyka. Nonetheless, any oblast leader—it is not important whether he was Khakassian or Russian—sooner or later had this thought.

During his visit to Krasnoyarsk Kray, Mikhail Sergeyevich Gorbachev went to Abakan as well. And he was interested particularly in us: Was this clothing of an autonomous oblast not too tight for Khakassia? On that same evening after the meeting, I sat down to write a note to the Central Committee to the effect that we had grown out of this oblast clothing long ago.

I wrote about the fact that we do not have the right to make even the smallest independent decision. In practice the only thing we could do of our own accord would be restore our wooden toilets. We were also free to decide the number of movies to show in the oblast, and we could distribute the food allotted to us from the supplies in compliance with local needs. That essentially was the extent of our freedom to maneuver. Otherwise, our fate was fully determined by the kray. If any one of our effective leaders—and, naturally, we have had such people—achieved anything for the oblast directly in the center, say, certain capital investments, all that actually reached us would be a third of the amount allotted by Moscow. The rest of it was seized by Krasnoyarsk.

It is known that a powerful industrial complex has developed on the territory of Khakassia during the past 20 years. It includes the Sayano-Shushenskaya GES [hydroelectric power plant], the car construction plant, and the artificial leather combine. The aluminum combine is one of the largest in the world. No fewer than 95 percent of Russian containers are produced in Khakassia. But this complex was not created at the expense of the kray budget. It was built with money from the entire country. But, as usual, the kray took as much as it could.

[Makarov] When you are at the Sayano-Shushenskaya GES you are struck by the contrast between this truly fantastic structure and the impoverished villages in the neighborhood, the poor, badly run infrastructure....

[Torosov] The fact is that 90 percent of the funds allotted for development of the construction industry in Khakassia, as usual, was delivered to the kray. In general, the kray leaders were extremely eager to make sure

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that Khakassia did not reach the Union level. Do you know that the immense automotive plant now known as KamAZ could quite well have been built in Abakan? The designers and economists, selecting the optimal site for constructing this giant, agreed that Khakassia was extremely convenient for it. They were attracted by the inexpensive electric energy. And the proximity of the Novokuznetsk metallurgical production—some 200 kilometers is not much of a distance by our scale. Free labor resources. A fairly good social infrastructure. And the existence of natural sites that are extremely convenient for industrial construction. Everything came together. The only thing that was not taken into account were the feelings of the Krasnoyarsk Kray committee. As usual, it was jealous: Why should Khakassia get this unique plant;, it will be swallowed up! It would be better to build it in Krasnoyarsk. The planner objected—after all, the city is already overloaded with industry. Never mind, let it grow and develop further!

The contradiction that arose was skillfully utilized by Comrade Tabeyev from Tatarstan. During a personal meeting, he managed to convince Brezhnev: Well, how is that Siberia any better than our Naberezhnyye Chelny?

I will not go into the fine points of economic geography now; perhaps they were directly taken into account professionally, but as a result of that struggle of ambitions, Siberia undoubtedly ended up the loser. And yet in many papers the future automotive giant already had the working title of KhAZ—Khakassian automotive plant. For we are literally in the very center of Russia and could supply trucks to both European Russia and the Far East without problems.

Before the war, the main argument in favor of Khakassia's belonging to Krasnoyarsk Kray was its backwardness. We were told: What kind of an autonomous entity could you be—there is practically no industry in the oblast, no communications with Moscow, essentially there are no local personnel capable of raising up the economy and leading it, you have not managed to grow up yet.

None of these objections are valid anymore. Communication with Moscow—pick up the phone and in a minute you are talking to the Kremlin. We have already discussed Khakassia's industrial might. And the personnel situation is not bad—there are tens of thousands of specialists with the highest qualifications who have graduated from the best VUZ's [higher educational institutions] in the country and are now working in the republic.

I wrote about all that in my note to the Central Committee. Before sending it, naturally, I showed it to our then first secretary. Out of fear, he cut it up so much that it lost its basic meaning: The expediency of separating Khakassia from Krasnoyarsk Kray. Then we were asked by the Central Committee what we would actually want. Obviously, you are not satisfied with your present position, but it is not clear what you see as an alternative. Well, our first secretary did not conceal the fact that what worried him most was his own management position....

Nonetheless, the masses embraced the idea. And it was certainly not just the Khakassians who were striving to raise the oblast to the republic level, but all the people who were thinking of the state and were concerned about the fate of the region. For example, Gennadiy Afrikanovich Vyatkin, then first deputy chairman, now deceased, or that same Mityukov, now a well-known Duma figure who exerted a great deal of effort to give worthy justification to our aspiration.

Briefly, since 1991 Khakassia, by the will of its deputies and with the understanding and support of the legislative organ of the entire country, has become an autonomous republic that is a part of the Russian Federation. And now, having become a full-fledged component of the Federation and going, as they say, directly to Moscow, we have become aware of the extent to which we have been robbed. Both on the plane of material and technical support and along the lines of public health and public education.

And in the sphere of trade in resources. For instance, for our coal which is sold for currency we received only some Japanese consumer goods, while most of the proceeds remained in the kray budget. Our civil construction trust updated 70 percent of its technical capital after it began to have direct contact with Moscow. Other organizations as well improved their material and technical position by 30-40 percent.

It is another matter that our departments do not have enough experience working with the center, and they still feel like timid provincials to a certain degree. But it is time for us to feel like full-fledged members of our Federation. The more so since Moscow treats us with complete respect, which is shown if only by the presidential edict on measures for economic support for the republic. For example, we have been given the right to use 20 percent of our proceeds from exports for our internal needs.

Of course, we must also now engage in solving the main problems of life by ourselves, not counting on constant assistance. These problems are well known: food, housing, employment, the ecology.

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[Makarov] Apparently employment is one of the most burning problems you have.

[Torosov] We understand that it cannot be solved in the traditional ways under current conditions, and even four years ago we came to the conclusion that it was necessary to create a free economic zone in our region.

At first we approached this idea purely theoretically, studied the literature that existed on this subject, and consulted with colleagues who wanted to create similar zones in Nakhodka and Kaliningrad. Then we visited China and became familiar with the activity of the Dalian free economic zone and became firm in our opinion that this could solve many economic problems, and not only those related to jobs.

[Makarov] We have heard this many times. Three or four years ago, first one then another of our oblasts declared its readiness to become a free economic zone. But as far as I know, all these nice dreams remained just that....

[Torosov] First, let us clarify just what a free economic zone is. First of all, it has preferential economic conditions. That is for, say, five years while construction and development are going on, no taxes are paid at all. And when it begins to be paid, it is collected, as it were, under merciful conditions. Further. Beneficial customs conditions are assumed. Customs does not have the right to restrict the shipment of any commodity in or out of the country. And currency circulates freely. What is the advantage of the zone? Of course, that we attract investments, to put it crudely, others' money which nobody would lend us under other circumstances. In the second place, we bring in new technologies, which we simply would not have the power to produce and assimilate ourselves. And, finally, new jobs would be created, which we have already discussed.

How did the Chinese do it? In the region of large-scale seagoing or river shipping they allotted an area of, say, 50 square kilometers, filled it with an industrial infrastructure, that is, energy facilities, roads, and heat. Enclosed it with fences and sometimes canals as well, and then declared: Anyone wishing to engage in production activity, primarily for export, may come here and lease a section under the most advantageous conditions. In Dalian 1,300 firms responded to this invitation and 800 were selected by competition; in four years they created this prosperous section of the Chinese economy. When and where could we in Russia create 800 enterprises in four years, the more so without spending a kopek of our own money on them?

[Makarov] But you are speaking about ports and a developed infrastructure. Does Khakassia have them?

[Torosov] As they say, every cloud has a silver lining. Here in Khakassia the defense complex Sibir was built on the outskirts of the city of Chernogorsk. After the end of the confrontation in the world, it was subject to conversion. To put it simply, construction on it came to a halt. But 45 square kilometers of space make an excellent production site, equipped with all the necessary infrastructure and even provided with the bays for shops. An entire residential area is located not far away. The dormitories are empty and the kindergartens and other facilities for social-domestic purposes are standing idle. Briefly, the basis for a significant industrial complex has already been laid. All that is left to do is fill it with life. So we have proposed to the Government of Russia that it organize the Khakassian free economic zone on this empty plot in which colossal amounts of public money have been invested. Its organizational pivotal point could be the joint-stock company. It would include the Government of Russia, with all the property invested in the complex, the Government of Khakassia, with the land on which this complex is located, and, say, some large company which could finance this idea in the first stage of its realization. And a year later it would be possible to declare a competition for attracting foreign firms. The Chinese have usually spent no less than seven years on preparing the territory for such a free zone. Because of the confluence of circumstances, we could prepare considerably more rapidly. The more so since an airport of the international level capable of receiving aircraft of any class is already functioning in Abakan.

We have developed the most detailed concept of a free economic zone in our regions, produced a thorough technical and economic justification for this idea, and submitted an official proposal to the government. By instructions of O. Soskovets our proposal has been discussed in 18 ministries and departments of Russia. Only two of them—the Ministry of Economics and the Ministry of Finance—asked for more detailed developments of our concepts. Our specialists are working on them now.

Of course, we recognize a certain inconvenience of the zone we propose. In the classical understanding of them they have always been located near the world ocean. In order to obtain equipment and goods by the most convenient and least expensive means. As you know, we are a long way from the sea. And rail rates—and this is no secret either—are terribly high now. Therefore, we are asking the Russian Government to reduce the rates for shipping products in and out of the future zone at least by half. Again, we understand that no businessman would take such a step just like that. But calculations show that Russia's revenues in hard

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currency from the zone's activity would exceed by a factor of three the costs it would be forced to cover. I am not even speaking about the extensive list of products that are now shipped in from abroad that we would produce locally, thus saving public money.

And so what distinguishes our plan from all the other plans for free zones in Russia that never got off the ground and were never carried out is that we, following the Chinese example, are proposing a zone that is a single point. We are not asking for benefits for the entire oblast as they did, for example, in the Far East or Kaliningrad; we are restricting the advantages completely to the specific group of enterprises alone. Those that concentrate their activity on the territory of the former Sibir complex.

[Makarov] And, according to your concept, what types of enterprises would it be worthwhile for Khakassia to give preference to?

[Torosov] Above all those that would provide us with goods and products which our population needs. Take, for example, sugar—we ship it in to Khakassia even though both before the revolution and before the war there were sugar refineries operating here. Then this business was determined to be labor-intensive, costly, and disadvantageous. But technologies have developed significantly since that time, and new strains of sugar beet and new methods of sugar refining have appeared, so why not attract to Khakassia a company that has created a good reputation for itself precisely with this type of activity?

Another example—it is known that passenger vehicles are not produced anywhere in Siberia. The people do anything they can to independently acquire foreign makes and bring them here. So why not build an assembly plant in the free zone, one which would provide all of Siberia with modern and also not too expensive vehicles?

The production of household electronics—videotape recorders, microwaves, radio equipment—is also possible under our conditions. A combine for producing starch, taking into account the fact that we have an abundance of potatoes, would also be extremely appropriate.

Ultimately we listed approximately 250 plants whose construction in Khakassia would be advantageous from all standpoints. Forty of them would be really large, such as the automotive assembly and glass plants, and the others would be medium-sized and small.

If we are able to open a free economic zone, we can be confident that there will be no unemployment in the republic.

[Makarov] But is there fear of this?

[Torosov] There certainly is; after all, sooner or later our large enterprises will begin to close down. For example, the mines near Chernogorsk. Because they have been existing on subsidies for a long time. There is the fear that the giants of light industry will share the same fate. In general they will find it hard to survive under the conditions of a market economy. They do not have the necessary flexibility. The shift from one assortment of products to another takes them years. And relatively small enterprises are much more flexible in restructuring production.

To sum up: The free economic zone will make it possible to solve two of the most crucial problems relatively quickly. The problem of employment, as we have already said, and the problem of supply of food and goods. And if we were to have free earned currency, we would be able to deal with housing and the ecology in earnest. Of course, we could not even think about such radical economic transformations as part of the kray. We were constantly being put in our place. Stick to what you know how to do and do not try anything else. But let us think, are we the only ones to gain from the fact that we are "trying something else"? Will not the whole immense country of Russia not stand to gain from the fact that little Khakassia is developing an industry of the highest modern technologies?

[Makarov] But you have apparently been reproached for separatism.

[Torosov] We have achieved only administrative independence from Krasnoyarsk Kray and have been striving for budget independence. But it never occurred to anyone to break economic ties or claim any kind of economic isolation. The economy knows no boundaries.

In the south of Krasnoyarsk Kray there are timber industries that deliver wood for our wood processing combines, so the lumbermen became alarmed to what would happen to our partnership. We reassured them: Work just as you have been working, nothing will change. We are receiving taxes, our people are employed in production, what more do we need? God forbid that you should stop delivering timber, then the drama will begin!

Having the status of a republic has enabled us to spread our wings. Whether we fly or continue to crawl will depend on us.

At the same time, the central power has not yet really figured out that the country cannot prosper unless the regions prosper. For example, we literally have to ring out of the apparatus the 20-percent export quota for aluminum that was earmarked for us by the president's edict. And yet the aluminum combine is on our land

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and it is poisoning our environment. If we suffer ecologically from this production, we must at least be materially compensated for our losses. Otherwise, build your combine in the Moscow region!

The regions have large obligations to the center. But the center must also remember its obligations to the regions.

[Makarov] The center is afraid of regionalism. But, as we know, quite recently it was encouraging unlimited sovereignization....

[Torosov] What contributes to separatism? What brings it about? Dissatisfaction. An awareness of one's economic powerlessness. The impossibility of having elementary control of one's destiny. But as soon as such a possibility appears, as soon as rights are no longer being encroached on, healthy people begin to think about cooperation, about solidarity, about the need to join forces and not about separation.

Russia has a president. Why do we need presidents at the levels of the regions and republics?

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Kazakhstan

*State of Economy Reviewed

954F2216A Moscow NEZAVISIMAYA GAZETA in Russian 26 Apr 95 p 2

[Article by Sergey Kozlov, under the rubric "Kazakhstan": "Inflation Is Losing to the Cabinet—the Government's Hopes Are on Foreign Managers"]

[FBIS Translated Text] The Republic government's latest report on the state of the economy showed that Alma-Ata plans a more balanced policy of conducting tenders in its work with foreign partners in the future.

As for overall economic strategy, the principal achievement of Akezhan Kazhegeldin's second cabinet is considered to be the battle against inflation, which was 5.1 percent in March. The rate for refinancing of bank credits is set today at 120 percent. And if the rate of inflation decreases to 1-2 percent by summer, as President Nursultan Nazarbayev conjectured recently that it might, the refinancing rate also will decrease to 50-60 percent. This will offer enterprises the possibility of taking them (credits, that is) for 2-3 years. It is also planned to make changes in legislation, removing many barriers to reorganization of the economy, including those related to the question of land. It is still too soon to speak of classical private ownership of land. But in the near future new regulations will be introduced for the use of land on which enterprises are located, and it will become private property. Agricultural lands will be leased for maximum terms (up to 100 years) with the right of inheritance. Cabinet specialists are working actively on ratification of previous legislative enactments which must be reviewed after the disappearance of parliament, and on working up new documents. Laws on the commodity exchange, bankruptcy, the National Bank, the state enterprise, and petroleum are in line for signature by the president.

The outflow of specialists from the Republic has begun to have a fairly marked effect on the state of the economy in recent times. In the last year, according to official statistical sources, more than 480,000 persons emigrated, while 70,000 immigrated. Of the emigres 58.8 percent were Russians and 3 percent were Kazakhs, while among the immigrants 44 percent were Russians and 28.3 percent were Kazakhs.

The main focus of the economic policy now being followed by the Kazhegeldin cabinet is on the new experiment, which has found ardent supporters (but they are a clear minority) as well as intense opposition (mainly among the national radicals).

We are referring to the policy, declared several months ago, of turning over large Kazakh enterprises to foreign companies for management. At the present time this operation has been fully accomplished at just two giant complexes, the Sokolovsko-Sarbay Mining Association in Kustanay Oblast and the Pavlodar Aluminum Plant (PAZ).

The first of these complexes is in fact bankrupt, which even the government itself has been afraid to admit. The problem of wear on fixed capital, which has reached 80 percent there, was added on top huge debts to the workers of transportation, associated production, and energy industry. Upon taking this whole system under control, the first thing the American company Aivedon did was to pay wages, which thousands of employees had not received for several months. In almost half a year the level of production there has increased more than three-fold, and they have already established a rigorous 10-day payment system for finished output.

But the government experiment has had even more impressive results at PAZ. There the English company Whitesven LTD has achieved high indicators in just 3 months of work. Production at PAZ had fallen by 80 percent before transfer of the plant to the English. In reality this major producer of alumina and rare metals was simply falling apart. The plant's debt was several billion tenge.

Reorganizing the plant into a joint-stock society Whitesven LTD quickly changed everything and already today it can be said that the government is willing to offer this experiment as an especially impressive argument for its critics: the plant has become a dynamic, profitable enterprise which has not only paid off all its debts but is vigorously pressing its competitors in the foreign market. But an especially vivid confirmation of the successful activity of the foreign manager was the recent meeting of plant workers at which, on their own initiative (!), they adopted an appeal to all working people of the Republic to become actively involved in the referendum and to vote for extending the powers of Nursultan Nazarbayev.

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